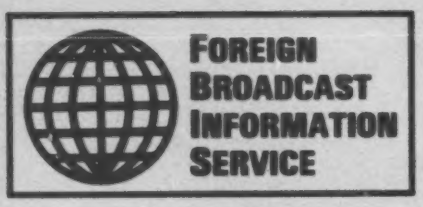

Daily Report

East Europe

FBIS-EEU-89-053
Tuesday
21 March 1989

Daily Report
East Europe

FBIS-EEU-89-053 21 March 1989

CONTENTS

INTRABLOC AFFAIRS

Jaruzelski Receives Warsaw Pact's Lushev, Lobov *[PAP]* 1
Prague CEMA Meeting, Need for Change Viewed *[TRYBUNA LUDU 7 Mar]* 1
Session of CEMA Medical Experts Concludes *[RUDE PRAVO 16 Mar]* 1

ARMS CONTROL & DISARMAMENT

Hungary's Varkonyi Addresses Vienna CFE Talks *[MAGYAR HIRLAP 7 Mar]* 2

INTERNATIONAL AFFAIRS

81st IPU Conference Continues in Budapest 5
Romanian Delegates Speak *[SCINTEIA 15 Mar]* 5
Romanian Deputies on Disarmament *[AGERPRES]* 5
Hungary's Grosz Speaks *[MTI]* 5
'Arafat Addresses Assembly *[MTI]* 6
Balkan Trade, Economics Ministers Meet in Ankara 7
SFRY's Krekic Meets Gjyzari *[TANJUG]* 7
Meeting Concludes 16 Mar *[TANJUG]* 7

ALBANIA

FRG Economic Delegation Arrives 16 Mar *[Tirana Radio]* 8
Talks Open, Dinner Hosted *[Tirana Radio]* 8
Malile Receives Delegation Head *[Tirana Radio]* 8
Cooperation Agreement Signed *[Tirana Radio]* 8
Parliamentary Group Returns From Budapest *[Tirana Radio]* 8

BULGARIA

Editorial Praises CPSU Plenum on Agriculture *[ZEMEDELSKO ZNAME 18 Mar]* 9
USSR State Bank Chairman on Official Visit 9
Cooperation Protocol Signed *[BTA]* 9
Atanasov Receives Bank Chairman *[BTA]* 10
Visit by CPSU Central Committee Delegation *[RABOTNICHESKO DELO 16 Mar]* 10
Soviet Party Working Group Visit Reported *[Sofia Radio]* 10
Dyulgerov Meets PRC Trade Union Delegation *[TRUD 16 Mar]* 10
BCP Delegation Leaves for Italian Congress *[Sofia Radio]* 11
Solidarity Committee Declaration on South Korea *[BTA]* 11
Economic Commentator on Signs of Inflation *[Shamliev in POGLED No 11]* 11
Expert Views Negotiations With Common Market *[BTA]* 12
Domestic Charter Airline Company Established *[RABOTNICHESKO DELO 15 Mar]* 13

CZECHOSLOVAKIA

Prague Court Hears Appeal in Havel Case *[Prague Radio]* 14
Daily Cites Yeltsin's Speech at CPSU Plenum *[RUDE PRAVO 17 Mar]* 14
Jakes Attends National Front Presidium Session *[Prague Radio]* 15
Adamec Cables SFRY's Markovic on Election *[RUDE PRAVO 17 Mar]* 16
PLO's 'Arafat Arrives on 'Short Working' Visit 16
Met by Lenart *[CTK]* 16
Comments on Talks With U.S. *[CTK]* 16
'Arafat Ends Visit *[CTK]* 17
Platform of Defense Secretary Cheney Criticized *[Rusko in Bratislava PRAVDA 18 Mar]* 17

GERMAN DEMOCRATIC REPUBLIC

1989 Leipzig Spring Fair Concludes 18 Mar 18
Final Negotiations Conclude *[NEUES DEUTSCHLAND 20 Mar]* 18
USSR Official Praises Fair *[NEUES DEUTSCHLAND 18-19 Mar]* 18
16 Mar Meetings Reported *[NEUES DEUTSCHLAND 17 Mar]* 18
17 Mar Meetings Noted *[NEUES DEUTSCHLAND 18-19 Mar]* 19
Further Contracts Concluded *[NEUES DEUTSCHLAND 18-19 Mar]* 19
Iraqi Trade Minister Holds Talks *[Baghdad INA]* 19
Stoph Congratulates SFRY's Markovic on Election *[NEUES DEUTSCHLAND 18-19 Mar]* 19
Stoph, Hungarian Trade Minister Hold Talks *[ADN]* 19
Talks End, Protocol Signed *[MTI]* 20
Krenz Meets With Hungarian State Prosecutor *[NEUES DEUTSCHLAND 16 Mar]* 20
Hungarian Party Delegation Visits 14-17 Mar *[MTI]* 20
Prague Mayor Zdenek Horcik Arrives in Berlin *[NEUES DEUTSCHLAND 17 Mar]* 21
Arab Trade Union Delegation Concludes Visit *[NEUES DEUTSCHLAND 20 Mar]* 21
Leaders' Public Appearances for 9-15 Mar *[NEUES DEUTSCHLAND]* 21

HUNGARY

Grosz To Visit USSR 23 Mar, Meet Gorbachev *[MTI]* 22
Rezso Nyers Interviewed on MSZMP's History *[Budapest TV]* 22
PLO's Yasir 'Arafat Continues Budapest Visit 27
Meets With Grosz *[MTI]* 27
Attends Straub-Hosted Luncheon *[MTI]* 28
Holds Talks With Nemeth *[MTI]* 28
Further on Nemeth Talks *[MTI]* 28
Holds Predeparture News Briefing *[MTI]* 29
Seen Off by Grosz *[MTI]* 30
Fejti Discusses Concluded Warsaw Talks *[MTI]* 30
15 Mar Commemoration Organizers Criticize Media *[Budapest Radio]* 30
Free Democrats Protest Havel Sentencing *[Budapest Radio]* 31
Alliance of Free Democrats Holds Assembly *[Budapest Radio]* 31
Alliance Holds News Conference *[MTI]* 31
Christian-Democratic People's Party Organized *[MAGYAR HIRLAP 18 Mar]* 32
Ferenc Munnich Society's Head Interviewed *[Vienna PROFIL 20 Mar]* 32
National Bank Devalues Forint To Boost Exports *[MTI]* 33

POLAND

13 Start Hunger Strike, Protest Havel Jailing *[Hamburg DPA]* 34
Roundtable Political Reforms Team Meets 20 Mar *[PAP]* 34
News Conference on Meeting *[PAP]* 34
Team on Trade Unions Holds Seventh Meeting *[PAP]* 34
Economic, Social Policy Team Discusses Report *[PAP]* 35
Roundtable Figures Interviewed on Consensus *[Warsaw Radio]* 35
Jaruzelski Addresses Voivodship Council Chairmen *[Warsaw Radio]* 35
Jaruzelski Receives MSZMP Secretary Fejti *[MTI]* 36
Leaders Discuss Reform *[PAP]* 36
Rakowski Makes Official Visit to Iraq, Kuwait 36
Visit, Agenda Previewed *[PAP]* 36
Departure Statement Issued *[PAP]* 37
Rakowski Departs Okecie Airport *[PAP]* 37
Relations With Iraq Viewed *[PAP]* 37
Talks With Saddam Husayn *[Warsaw Radio]* 37
Meeting With Hammadi, 'Aziz *[PAP]* 38
Iraq Visit Results Assessed *[Warsaw TV]* 38
Communique Issued on Visit *[PAP]* 38
Arrival in Kuwait Reported *[PAP]* 39
General Siwicki Departs for Syria 15 Mar *[Warsaw Radio]* 40
Spokesman Urban Holds 14 Mar News Conference *[RZECZPOSPOLITA 15 Mar]* 40

Jaruzelski Receives Warsaw Pact's Lushev, Lobov

LD1803041889 Warsaw PAP in English 2343 GMT 17 Mar 89

[Text] Warsaw, March 17—PUWP [Polish United Workers Party] CC [Central Committee] first secretary, president of the Council of State, superior of the Polish Armed Forces Gen. Wojciech Jaruzelski today received Commander-in-Chief of the United Armed Forces of the states-parties to the Warsaw Treaty Gen. Petr Lushev and Chief of Staff of these forces Gen. Vladimir N. Lobov, now in Poland on a fact finding visit in connection with assuming their posts.

At the meeting held in a cordial and friendly atmosphere, both sides exchanged views on a military and political situation in Europe, developing favourably for the cause of peace, and on vigorous participation of the armed forces of the Warsaw Treaty states in consolidating these tendencies.

The two sides discussed also questions of cooperation of the Polish Army with the armies of other states-parties to the Warsaw Treaty.

Prague CEMA Meeting, Need for Change Viewed

AU1403172689 Warsaw TRYBUNA LUDU in Polish 7 Mar 89 p 7

[Dispatch by PAP correspondent Leszek Mazan: "A Real Revision of the Council's Structures and Mechanisms"]

[Text] Prague—A 2-day working meeting of economic secretaries from communist and workers parties in the CEMA member states began in Prague on Monday [6 March]. The Polish United Workers Party [PZPR] was represented here by Prof Wladyslaw Baka, PZPR Politburo member and Central Committee secretary.

The Prague talks—which are considered exceptionally important from the viewpoint of prospects for socialist integration and are, in addition, very frank and not without elements of controversy —are focusing on the enhancement of the mutual exchange of information and the coordination of party action in the economic sphere. The prevailing view is that although CEMA, as an organizational structure, has successfully accomplished its tasks thus far, it must be extensively modified in line with the rate of change in today's world. Any kind of additional delays in this respect would be simply disastrous for the future of the socialist camp. That is why fundamental criticism was leveled at the way in which the joint decisions that have been made to date are being implemented, decisions that often exist solely on paper. It was stressed that there should be no taboo subjects in talks involving CEMA members, for this is the only way in which a genuine and not a sham revision of the Council's structures and mechanisms can be carried out.

This was the stand adopted by, among others, the Polish side. Poland came forward with a series of initiatives aimed at giving a more genuine and concrete form to "socialist integration," which is often understood solely as a slogan, and to prospects, which still remain too distant, for a common socialist market in goods, labor, technology, and convertible currencies. In Poland's opinion, the CEMA member states should determine exactly which of the goods that they produce cannot be sold for national currencies and, at the same time, draw up a list of goods that could come under commercial transactions in national currencies. As Wladyslaw Baka stressed, this is one of the key problems in the technical and organizational field that simply must be solved.

Poland also proposed setting up joint enterprises that would concentrate on boosting exports to capitalist and Third World countries. However, the realization of this idea will depend on organizational and financial structures—that is, the creation of an international bank for enterprises (a suggestion that Wojciech Jaruzelski had already made 3 years ago).

In view of the fact that scientific and technical achievements continue to be introduced into practice too slowly, it was proposed that a system of international orders be introduced, similar to the government order system. This could—on a competitive basis—apply to both CEMA and EEC companies. Poland also spoke in favor of introducing a convertible currency for the socialist countries.

The general conclusion to be drawn from the first day of the session can be expressed as follows: Without in any way calling into question the usefulness of CEMA as such, there is no doubt whatsoever that there must be a fundamental change—one that will guarantee progress—in the way in which it operates. Progress cannot be checked by the conservative attitudes of some member states.

The Polish People's Republic also came forward with a proposal—which prompted extensive discussion—to establish a working group that would examine the current state of CEMA and provide a precise diagnosis.

Session of CEMA Medical Experts Concludes

AU1703154289 Prague RUDE PRAVO in Czech 16 Mar 89 p 2

[CTK report in the "International Contacts" column]

[Text] The 2-day session of experts from the CEMA member states on preventive medicine ended in Bratislava on Wednesday [15 March] with the signing of a final protocol. The session had focused on assessing diagnostic systems and their utilization.

Communique Issued on 15 Mar Politburo Session *[TRYBUNA LUDU 16 Mar]* 48
Government Sociopolitical Committee Meets *[PAP]* 49
Legal Expert Queried on Constitutional Reform *[SLOWO POLSKIE 25-26 Feb]* 50
Koszalin Economic Zone Proposal Examined *[PAP]* 51
Polish-EEC Economic Cooperation Examined *[Wajszczuk in ZYCIE WARSZAWY 14 Mar]* 51
UNCTAD Still Adopts Protectionist Measures *[PAP]* 52
Delegates Discuss Restructuring *[PAP]* 52
Agriculture Ministry Secretary Appointed *[PAP]* 52
DPRK Military Attache on 'Team Spirit-'89' *[PAP]* 53
Public Opinion Center Director Visits U.S. *[TRYBUNA LUDU 15 Mar]* 53

ROMANIA

Ceausescu Chairs PEC Meeting on Economy *[SCINTEIA 3 Mar]* 54
Ceausescu Message to Indian Party Leader *[SCINTIEA 17 Mar]* 56
Giosan Receives Cuban Parliamentarians *[AGERPRES]* 56
Giosan Welcomes Pakistani Parliamentarians *[AGERPRES]* 57
National Wealth Growth Statistics Reviewed *[AGERPRES]* 57

YUGOSLAVIA

Stipe Suvar Pays Visit to Italy, Holds Meetings 58
Talks With Bettino Craxi *[TANJUG]* 58
Meets With PCI Leader *[TANJUG]* 58
Returns, Comments on Visit *[TANJUG]* 58
Mikulic Grants Farewell Interview to BORBA *[11-12 Mar]* 58
Albania Rejects Mikulic's Call for Dialogue *[TANJUG]* 68
Saudi Backing for Albanian Muslims Condemned *[AFP]* 68
Spokesman Comments on Relations With Israel *[TANJUG]* 68
Federal Chamber Discusses Government Budget *[TANJUG]* 68
Newly Elected FEC Holds First Session 16 Mar *[TANJUG]* 70
LCY Presidency Session Discusses April Agenda *[TANJUG]* 70
Tudjman Violates Ban on Public Speeches *[VJESNIK 16 Mar]* 71
Hamburg Consulate Official Shot in Montenegro *[TANJUG]* 71
Charges Against Hodza Under Investigation *[TANJUG]* 71
Update on Goles Miners' Strike Situation 71
Work Not Fully Resumed *[TANJUG]* 71
Situation Said 'Stabilizing' *[TANJUG]* 72
Vojvodina Farmers Protest Low Milk Prices *[AFP]* 72
Kosovo Presidency Commends Special Measures *[TANJUG]* 72
Kosovo Assembly Commissions Endorse Amendments *[TANJUG]* 73
Results of Poll on Main Problems in Kosovo *[BORBA 27 Feb]* 73
Djakovica LC Officials Relieved of Membership *[TANJUG]* 74
Acting President of Serbian Presidency Elected *[TANJUG]* 74
Macedonian Assembly Chamber Session Cut Short *[TANJUG]* 74
Macedonian SAWP Doubts Slovenian Sincerity *[TANJUG]* 74
Candidates Named for Croatian Presidency *[TANJUG]* 75
Zagreb Association Calls for Political Pluralism *[TANJUG]* 75
Journalists Accused of Distributing Badges *[TANJUG]* 75
Radio Ljubljana Responds *[TANJUG]* 76
MLADINA Accused of Creating SFRY Split *[Rastoder in POBJEDA 15 Mar]* 76
BORBA Cited on Inter-Nationality 'Crisis' *[TANJUG]* 76
'Administration of Justice' Questioned *[Rajic in VJESNIK 6 Mar]* 77

Hungary's Varkonyi Addresses Vienna CFE Talks

AU2003141089 Budapest MAGYAR HIRLAP in Hungarian 7 Mar 89 pp 1, 9

[Speech by Hungarian Foreign Minister Peter Varkonyi at the opening of the Vienna CFE Talks, on 6 March: "Peter Varkonyi's Speech in Vienna—We Should Eliminate the Developed Enemy Image."

[Text] Ladies and gentlemen!

Only a few weeks ago we met here, in the same place and in the same city, to adopt the final document of the CSCE follow-up conference. Today we already have the opportunity to open two of the major conferences agreed upon in this document: a conference on reducing conventional forces in Europe and a conference on confidence- and security-building measures.

Hungary attaches particular importance to the European process of security and cooperation. At the present opening of the two negotiating forums explicitly concerned with military security, we also find it necessary and timely to stress that we consider the European security and cooperation process as an integral whole covering economic cooperation, the development of cultural relations, and the enforcement of human rights. Naturally, attention this time is focused on issues of military security that are essential for the future of Europe and indispensable for making agreements reached in Vienna irreversible. The Government of the Hungarian People's Republic considers it extremely important for the two forums now beginning talks in Vienna to attain concrete and tangible results in strengthening security and stability within a reasonable period of time. We are convinced that all the conditions for this exist: the changes that have taken place in East-West relations in recent years, the reform processes that have begun and have accelerated in the socialist countries, and our Western partners' increasing recognition that we should avoid a military confrontation. All of these have created the necessary bases for striving to achieve quick results during our talks. I think that in the current favorable conditions, we have better opportunities to achieve success than ever before, and we should make use of this opportunity.

The Hungarian Government has repeatedly expressed its intention to participate in carrying out the disarmament measures from the start. I would like to confirm our interest in the early success of the talks, which will allow for further substantial cuts in Hungarian and Hungary-based armed forces. We are interested in and want to actively contribute to working out a new set of confidence-building measures.

Allow me to briefly inform you about our ideas, goals, and concepts with which we wish to participate in the two negotiating forums.

We believe, and find it quite promising, that our delegations succeeded in working out a substantial mandate for negotiations on reducing conventional armed forces in Europe. There is general agreement on the need to strive largely to create a balance of conventional forces at a much lower level and to eliminate the existing asymmetry. After this, we can proceed with the further radical reduction of the level of these armed forces, until we reach a state in which each country will only possess the military forces necessary for its defense.

On the basis of this agreement, however, we are well aware of the fact that we still have many questions to resolve in order to begin this disarmament process and to maintain its momentum.

We are convinced that the best foundation for attaining results would be to reach agreement on the major data concerning the armed forces currently stationed in Europe. For this reason, we would like the working out of categories to serve as a basis for the mutual exchange of armed forces data and, if need be, their subsequent verification to be the starting point of the talks and to possibly be discussed by a special working group.

The collation of categories and preliminary data exchange should not hinder the working out of substantive measures. We believe that, parallel to and simultaneously with the exchange of data and its verification, we should also work out concrete measures, including the establishment and timing of mutual reductions and ceilings that also include the elimination of asymmetries. Hungary is ready to implement these regulations.

Our disarmament concept starts from the fundamental premise that each and every phase of this process should contribute to reducing the threat and the feeling of threat of all the participants. In this respect, I would like to repeat my government's position which envisages the strengthening of stability and confidence in Europe only if these disarmament processes from the outset cover all the important components of the armed forces of various countries.

We think that comparing the capabilities of the opposing armed forces will become indispensable during the talks. Such a comparison is impossible without a precise knowledgde of power relations, which include several qualitative factors besides numerical strength. We think that the consideration of the armed forces will be realistic and will contribute to creating and strengthening stability if this analysis includes every factor, including the qualitative ones, both in comparing individual weapon systems and in comparing the combat capability of military units and, in the final analysis, in comparing the entire armed forces. In our opinon, the joint reductions and the attainment of the upper levels will become viable within a short period of time. This should fit into the process, the ultimate aim of which would be to create the structural inability of European armed forces to launch attacks. The current negotiations are also to work out

Hungary's Varkonyi Addresses Vienna CFE Talks

AU2003141089 Budapest MAGYAR HIRLAP in Hungarian 7 Mar 89 pp 1, 9

[Speech by Hungarian Foreign Minister Peter Varkonyi at the opening of the Vienna CFE Talks, on 6 March: "Peter Varkonyi's Speech in Vienna—We Should Eliminate the Developed Enemy Image."

[Text] Ladies and gentlemen!

Only a few weeks ago we met here, in the same place and in the same city, to adopt the final document of the CSCE follow-up conference. Today we already have the opportunity to open two of the major conferences agreed upon in this document: a conference on reducing conventional forces in Europe and a conference on confidence- and security-building measures.

Hungary attaches particular importance to the European process of security and cooperation. At the present opening of the two negotiating forums explicitly concerned with military security, we also find it necessary and timely to stress that we consider the European security and cooperation process as an integral whole covering economic cooperation, the development of cultural relations, and the enforcement of human rights. Naturally, attention this time is focused on issues of military security that are essential for the future of Europe and indispensable for making agreements reached in Vienna irreversible. The Government of the Hungarian People's Republic considers it extremely important for the two forums now beginning talks in Vienna to attain concrete and tangible results in strengthening security and stability within a reasonable period of time. We are convinced that all the conditions for this exist: the changes that have taken place in East-West relations in recent years, the reform processes that have begun and have accelerated in the socialist countries, and our Western partners' increasing recognition that we should avoid a military confrontation. All of these have created the necessary bases for striving to achieve quick results during our talks. I think that in the current favorable conditions, we have better opportunities to achieve success than ever before, and we should make use of this opportunity.

The Hungarian Government has repeatedly expressed its intention to participate in carrying out the disarmament measures from the start. I would like to confirm our interest in the early success of the talks, which will allow for further substantial cuts in Hungarian and Hungary-based armed forces. We are interested in and want to actively contribute to working out a new set of confidence-building measures.

Allow me to briefly inform you about our ideas, goals, and concepts with which we wish to participate in the two negotiating forums.

We believe, and find it quite promising, that our delegations succeeded in working out a substantial mandate for negotiations on reducing conventional armed forces in Europe. There is general agreement on the need to strive largely to create a balance of conventional forces at a much lower level and to eliminate the existing asymmetry. After this, we can proceed with the further radical reduction of the level of these armed forces, until we reach a state in which each country will only possess the military forces necessary for its defense.

On the basis of this agreement, however, we are well aware of the fact that we still have many questions to resolve in order to begin this disarmament process and to maintain its momentum.

We are convinced that the best foundation for attaining results would be to reach agreement on the major data concerning the armed forces currently stationed in Europe. For this reason, we would like the working out of categories to serve as a basis for the mutual exchange of armed forces data and, if need be, their subsequent verification to be the starting point of the talks and to possibly be discussed by a special working group.

The collation of categories and preliminary data exchange should not hinder the working out of substantive measures. We believe that, parallel to and simultaneously with the exchange of data and its verification, we should also work out concrete measures, including the establishment and timing of mutual reductions and ceilings that also include the elimination of asymmetries. Hungary is ready to implement these regulations.

Our disarmament concept starts from the fundamental premise that each and every phase of this process should contribute to reducing the threat and the feeling of threat of all the participants. In this respect, I would like to repeat my government's position which envisages the strengthening of stability and confidence in Europe only if these disarmament processes from the outset cover all the important components of the armed forces of various countries.

We think that comparing the capabilities of the opposing armed forces will become indispensable during the talks. Such a comparison is impossible without a precise knowledgde of power relations, which include several qualitative factors besides numerical strength. We think that the consideration of the armed forces will be realistic and will contribute to creating and strengthening stability if this analysis includes every factor, including the qualitative ones, both in comparing individual weapon systems and in comparing the combat capability of military units and, in the final analysis, in comparing the entire armed forces. In our opinon, the joint reductions and the attainment of the upper levels will become viable within a short period of time. This should fit into the process, the ultimate aim of which would be to create the structural inability of European armed forces to launch attacks. The current negotiations are also to work out

By launching the activity of the two parallel negotiation forums, the participating states are entering a major venture of unparalleled importance both with respect to the shaping of international relations and to the fate of Europe. The structures of European military confrontation came about in the period of the cold war, and the development of conventional forces continued in an unlimited manner in the past decades. This increasingly contradicts the joint interests that are linked to the intensification of East-West relations based on cooperation, which call for the gradual dismantling of confrontation, the creation of armed forces with mutually satisfactory strengths and defense structures, and the creation of a new quality of openness and confidence.

We are interested in developing this process and achieving results as soon as possible. It is this interest and commitment that leads the Hungarian delegation in actively participating in the negotiations and in formulating cooperation with the other delegations, a cooperation that promotes agreement.

We are aware of the fact that the current negotiations will be difficult and lengthy. However, this does not mean that we cannot expect quick and tangible results and a constant momentum from these talks. Politics should compete with technological development, which is the most dynamic element of reality. It is a vital interest of mankind to see to it that a sober-minded policy emerges the winner in this competition.

81st IPU Conference Continues in Budapest

Romanian Delegates Speak

AU1703181189 Bucharest SCINTEIA in Romanian 15 Mar 89 p 6

[Text] Budapest (AGERPRES) 14/03/1989—The participants in the 81st Congress of the Interparliamentary Union [IPU] decided to include on the agenda of the conference a project advanced by several socialist countries, including Romania, "On the Contribution of Parliaments in Organizing an International Peace Conference on the Middle East." The Romanian parliamentarians attending the conference presented our country's stand in the discussions on this subject.

Likewise, during the discussions on the issue of protecting the rights of children, the Romanian parliamentarians presented Romania's stand on this issue, reiterating the fact that in our country the issue of child care has become state policy and that it represents the major concern of our whole society. They emphasized that the great changes that have taken place in Romania, particularly over the past few years, have created a framework that ensures the best conditions for the young generation's life, education, and instruction, and that this ensures the many-sided development and complete assertion of a child's personality.

Romanian Deputies on Disarmament

AU1703215189 Bucharest AGERPRES in English 2107 GMT 17 Mar 89

[Text] Budapest, AGERPRES, 17/03/1989—During the general debates of the 81st Conference of the Interparliamentary Union on the world political, economic and social situation, the Romanian deputies attending the conference presented Romania's stance underscoring the imperative of the commitment of parliaments and parliamentarians to a unitary approach and settlement of disarmament-related questions so that tangible measures be reached for the banning and concomitant elimination of nuclear, chemical and other weapons of mass destruction, for a substantial reduction of conventional arms and military spending.

Special attention was paid to the urgent overcoming of the grave phenomena of underdevelopment, to the settlement of the developing countries' foreign debt problem, the establishment of a new international economic order, the calling of an international conference, within the UN, to be attended by all countries on an equal footing, which should lead to measures meant to ensure the peoples' progress and well-being. The fact was stressed that one of the noblest duties of parliamentary institutions was the ensurance of every nation's inalienable right to be full master of its destiny, to choose the path of economic and social development in keeping with its own will and aspirations, without any outside pressure or interference.

Hungary's Grosz Speaks

LD1603180989 Budapest MTI in English 1510 GMT 16 Mar 89

[Text] Budapest, March 16 (MTI)—Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party [HSWP], delivered a speech at the 81st Congress of the Inter-Parliamentary Union (IPU) in Budapest, Thursday [16 March].

First, Mr Grosz discussed the HSWP's new manifesto adjusted to the changing domestic political conditions. He said, "Foreign policy forms an essential part of our action programme. Over the past 30 years, the country has gained repute through its stability and consistent policy of principle. We are aware that our international image as a partner continues to depend on genuine performance. I believe that a self-assured initiating Hungary will prosper in the community of nations.

"Our main ambition is complete openness to the world. On shaping inter-state relations, we do not act on ideological grounds but consider the realities of the age and the interests of the nation. We will not renounce our principles and appreciable ideals, and do not demand it of others.

"We are also striving to put into practice the new way of thinking in the field of foreign and military policy. Hungary's Army strength has recently been reduced by 9 per cent, and we are confident that the favourable changes in international life will allow, in the foreseeable future, for further cuts in the Army and the strengthening of its defensive nature. As an equal party to the Vienna talks, Hungary calls for creation of a mutually acceptable balance of European armed forces at a reduced level of armaments, for the elimination of asymmetries and for the withdrawal of foreign troops."

Analysing Hungary's relations with the other socialist countries, the HSWP general secretary pointed out, "It is indispensable to keep observance of each other's independence, complete equality and interests. Our national decisions have to be taken in the awareness that the situation of other peoples is also affected. We highly appreciate the positive approach of the socialist countries to the Hungarian processes, and shall work to promote the settlement of their problems through safeguarding stability and laying the foundations for further development." "The Hungarian People's Republic will remain a member of the Warsaw Treaty as long as the military blocs exist in Europe. At the same time, we are ready to join any endeavour aimed at the abolition of military-political alliance systems. We consider it timely to further strengthen partner relations and democratic cooperation forms within the Warsaw Treaty, and to pay more attention to questions of human rights, humanitarian relations, economic growth and cooperation, environmental protection and ecological security. A definite stand should be taken for the development of ties

between military blocs, the creation of hazard-reducing and consultational mechanisms and, subsequently, for the gradual, simultaneous elimination of blocs."

"Hungary will not abandon fostering its reliable relationship with the Soviet Union, safeguarding alliance, and improving cooperation. It is equally important to us that reform-minded Soviet policy has given new impetus to all who see their future in modern humane socialism," Mr Grosz said.

"Ties have also continued to improve with the other socialist countries. It is particularly welcoming that in our relations with all but one of the socialist countries we have been able to overcome the paralysing heritage of the past, and that common historic values allow for development to a higher level of cooperation.

"We find it deplorable that Hungary and Romania have differences in the judgement of human rights in a period when entire Europe is coming to terms on the protection of human rights, including the national minorities'. Nevertheless, we are aware that this question can only be settled by the Hungarian and Romanian peoples, and not by any other country or international organization. We continue to strive for shaping relations with neighbouring Romania in conformity with European norms.

"We consider it a duty of all states to guarantee the rights of their minority population. Socialism furnishes a historic opportunity for such action, but does not solve the problem. Hungary also has further obligations to make past grievances to its national minorities sink into oblivion and create all the conditions necessary for minority existence. The separate nationality law is being drafted in this spirit. In keeping with our policy of principle, we also cannot be indifferent to the position of Hungarians living abroad in the future," Mr Grosz said.

"Recently, development of relations with the advanced capitalist countries has gathered momemtum in our work, and we hold in high esteem the confidence and sympathy shown by the leading circles of the West European countries, the United States, Canada and Japan towards Hungarian leadership and policy," Mr Grosz said.

"We wish to expand new forms of cooperation with the European Economic Community. In view of European reality and the intentions of the EEC countries, this means the joining of EEC standards, harmonization of the tax system, improvement of marketability and intensification of receptivity. There is no alternative to building closer cooperation. We are looking for new opportunities of relations with the EFTA countries on a reciprocal basis.

"Cooperation with the Federal Republic of Germany, Austria and Finland is progressing well in all fields. We would like to see this trend become decisive in the favourable links with France, Great Britain, Italy, Spain and the other West European states. We cooperate with the European Council, and want to expand relations with the European Parliament and the West European Union. Positive experience from Hungary's links with the North Atlantic assembly increases the chances for the conference of the parliamentary representatives of the Warsaw Treaty and NATO to take place in Budapest, in keeping with our proposal," Mr Grosz said.

"Hungary declares solidarity with the peoples and movements [words indistinct] advantageous relations with the developing countries. As far as our potential allows, we shall continue to promote the settlement of regional conflicts which threaten the security of the world. In this spirit, we have established diplomatic relations with South Korea and started talks with Israel on the comprehensive settlement of our relationship."

Finally, Mr Grosz pointed out, "Today's world is characterized by interdependence and increased openness of information. To gain profound knowledge of each other and promote understanding between peoples, we have greater need than ever before of such forums of dialogue as this conference. I would like to assure you that Hungary will continue to do its utmost for the realization of the high aims of the Inter-Parliamentary Unio.."

'Arafat Addresses Assembly

LD1703225489 Budapest MTI in English 2105 GMT 17 Mar 89

[Text] Budapest, March 17 (MTI)—Addressing the 81st Inter-Parliamentary Conference in Budapest on Friday, Yasir 'Arafat asked the legislators of the world to support the establishment of peace in the Middle East and the convocation of an international conference paving the way for settlement. The conference invited the president of the PLO Executive Committee under a special resolution so that he should expound the position of his people on settlement before the legislators of almost a hundred countries. Mr 'Arafat's single contribution to an inter-parliamentary conference was made in the capacity of observer.

Mr 'Arafat emphasized that the Middle East required a peace which takes international detente and the situation of the region into account. The Palestinian peace initiative is aimed at finding a just and comprehensive settlement to the struggle which has lasted for more than forty years.

If we missed the opportunity, the whole region would plunge into a war, and the entire world would pay an enormous price, said 'Arafat.

The Palestinian leader pointed out that the Israeli leadership had resolutely committed itself to continuing the occupation of Palestinian and Arab lands. The Palestinians will continue their resistance against occupation, organized and official terror, oppression and tyranny. The intifadah, the uprising of the population of the

occupied areas which has lasted for sixteen months, is a unique example and a proof that, despite the brutality of Israeli terror, the Palestinian masses are committed to victory.

Mr 'Arafat said that the peace initiatives of the Palestine National Council were contributions of historic importance to the halting of bloodshed, and the guaranteeing of security, peace and co-existence for all peoples and nations of the Middle East. He referred to the favourable reception of the initiatives and said that the beginning of U.S.-Palestinian dialogue was major progress. He repeatedly called upon the permanent members of the Security Council to agree upon the issue of international conference as soon as possible, to eliminate the dangerous hotbed of tension. 'The preparatory committee of the international conference should meet in session as initiated by Gorbachev and President Mitterrand or in any other suitable form' Mr 'Arafat said.

Balkan Trade, Economics Ministers Meet in Ankara

SFRY's Krekic Meets Gjyzari

LD1703182689 Belgrade TANJUG Domestic Service in Serbo-Croatian 1631 GMT 16 Mar 89

[Text] Belgrade, 16 Mar (TANJUG)—Today Nenad Krekic, federal secretary for foreign trade, and Niko Gjyzari, chairmen of the State Planning Commission of Albania, met in Ankara. The two ministers are heading the delegations of their countries at the meeting of the Balkan countries' ministers for economics and foreign trade.

The Albanian minister asked for a meeting with the Yugoslav minister. This meeting was held immediately following the ministerial meeting. The ministers exchanged views on possibilities for expanding economic cooperation between the two countries. At the same time Niko Gjyzari presented specific proposals, and Gjyzari voiced Albania's interest in importing equipment for economic projects. Federal Secretary Krekic expressed Yugoslavia's desire to improve economic relations with Albania.

It is interesting that the Albanian minister asked for the meeting considering the fact that during the opening meeting of the Balkan economic and foreign trade ministers, he accused Yugoslavia in a manner that cannot be termed diplomatic, without explicitly naming it, of using force against some nationalities and of changing their status. Nenad Krekic replied that Tirana has two policies: the one proclaimed and the one practiced. As it has been learned in circles of the Yugoslav delegation, the Albanian side did not mention this 'issue' today.

Meeting Concludes 16 Mar

LD1603194489 Belgrade TANJUG in English 1738 GMT 16 Mar 89

[Text] Ankara, March 16 (TANJUG)—Ministers of economy and foreign trade of the six Balkan countries ended their two-day meeting in Ankara today with an agreement to make recommendations to their governments concerning a revival and promotion of currently modest economic relations in the Balkans.

The meeting, held at the building of the Turkish Agrarian Bank, adopted a joint communique.

As stated by the host of the meeting, Turkey's Minister of State Yusuf Ozal, the participants - the ministers of Albania, Bulgaria, Greece, Romania, Turkey and Yugoslavia - left the gathering convinced that they had completed a "serious job" and also with a "strong resolve" to promote inter-Balkan economic cooperation.

At the closing ceremony, heads of other delegations assessed that the exchange of views in Ankara was successful and that the recommendations to be made to the governments will ensure better utilization of the vast economic resources on the countries of the Balkan peninsula.

Yugoslav Secretary for Foreign Trade Nenad Krekic stressed that there is good reason to continue contacts devoted to these themes, primarily including, according to Krekic, the most significant of all - closer ties with Europe and the Balkan region's inclusion into the current economic trends in the world.

The impression is that the Balkan ministers have reason to be satisfied with what they had accomplished in the Turkish capital. As agreed, expert meetings will be held in the future to discuss in a more concrete and practical way the realization of what has been agreed so far, and also to examine new possibilities for boosting economic cooperation. Another significant recommendation adopted by the economic ministers is that they meet in the future every two years.

It can be asked after the reading of the closing document, which offers little new or elaborated ideas or binding solutions, whether more could have been done.

The expectations may have been too high in some quarters, particularly as a result of the pronounced optimism at the start of the session, and also of the resolve, expressed on several [word indistinct] occasions, "to move from words to deeds."

Still, the closing document expresses what is currently realistic and possible in the Balkans. As for the political will and readiness of the Balkan governments to revive and diversify economic relations on the peninsula, this promise was made in Ankara even solemnly and forcefully.

FRG Economic Delegation Arrives 16 Mar

AU1603195989 Tirana Domestic Service in Albanian 1900 GMT 16 Mar 89

[Text] Siegfried Lengl, secretary of state in the FRG Ministry of Economic Cooperation, arrived today in our country. He was welcomed at Rinas Airport by Gani Qemo, deputy chairman of the State Planning Commission. Friedrich Kroneck, ambassador extraordinary and plenipotentiary of the FRG in Tirana, was also present.

Talks Open, Dinner Hosted

AU1703200089 Tirana Domestic Service in Albanian 1900 GMT 17 Mar 89

[Text] Talks began today in Tirana between the government delegation of the People's Socialist Republic of Albania, led by Farudin Hoxha, minister attached to the Presidency of the Council of Ministers, and the FRG Government delegation, led by Siegfried Lengl, secretary of state at the Federal Ministry of Economic Cooperation, on the development of bilateral trade and economic relations.

Farudin Hoxha, minister attached to the Presidency of the Council of Ministers, this evening hosted a dinner in honor of the FRG Government delegation. The dinner took place in a friendly atmosphere.

Malile Receives Delegation Head

AU1903200089 Tirana Dometic Service in Albanian 1900 GMT 19 Mar 89

[Text] Reiz Malile, minister of foreign affairs, today received Siegfried Lengl, head of the FRG Government delegation and secretary of state at the Federal Ministry of Economic Cooperation. On this occasion, he held a friendly talk at which views were exchanged on the further development of bilateral relations in different fields of mutual benefit, and other matters. Friedrich Kroneck, ambassador extraordinary and plenipotentiary of the FRG to the People's Socialist Republic of Albania, was also present at this meeting.

Cooperation Agreement Signed

AU1903200489 Tirana Domestic Service in Albanian 1900 GMT 19 Mar 89

[Text] The agreement and protocol on technical and financial cooperation between the Government of the People's Socialist Republic of Albania and the Government of the FRG was signed in Tirana today. This document was signed for the Albanian side by Farudin Hoxha, minister under the Council of Ministers, and for the German side by Siegfried Lengl, secretary of state at the Federal Ministry of Economic Cooperation, and Friedrich Kroneck, ambassador extraordinary and plenipotentiary of the FRG in Tirana. Kostandin Hoxha, deputy minister of foreign trade; Robert Koli, deputy minister of finance; and members of the two delegations took part in the signing ceremony.

Siegfried Lengl, secretary of state at the FRG Ministry of Economic Cooperation, also left our country today. He was accompanied to Rinas Airport by Gani Cemo, deputy chairman of the State Planning Commission; Gudar Toto, director of a directorate at the Ministry of Foreign Affairs, and other comrades. Friedrich Kroneck, ambassador extraordinary and plenipotentiary of the FRG to the People's Socialist Republic of Albania, was also present.

Parliamentary Group Returns From Budapest

AU2003193489 Tirana Domestic Service in Albanian 1900 GMT 20 Mar 89

[Text] The delegation of the Albanian parliamentary group headed by Deputy Aranit Cela, chairman of the Supreme Court of the People's Socialist Republic of Albania, which took part in the 81st conference of the Inter-Parliamentary Union that was held in Budapest, returned home today.

The delegation was welcomed home by Sihat Tozaj, secretary to the Presidium of the People's Assembly, and other comrades.

Editorial Praises CPSU Plenum on Agriculture

AU2103101889 Sofia ZEMEDELSKO ZNAME in Bulgarian 18 Mar 89 p 1

[Editorial: "Clear and Realistic Platform"]

[Text] The Soviet people are advancing toward the elections scheduled for 26 March 1989 with the ideas of a realistic platform submitted in the appeal of the CPSU Central Committee and with a clear program of action aimed at the implementation of a new agrarian policy mapped out at the recently concluded March plenum of the CPSU Central Committee. Such events are of exceptional importance for the Soviet country and for the further development of restructuring, of socialist democracy, and self-management.

The progress of the election campaign over the 2 months following the CPSU Central Committee January Plenum and the meetings of the candidates for people's deputies with CPSU members and working people reflect intensive efforts and broad discussions on the basic issues of party and state policy, as well as on certain local problems. This extensive dialogue once more stressed the people's support for the innovative processes and their firm resolve to proceed along the path mapped out by the 27th CPSU Congress and the CPSU national conference.

Further proceeding toward its important tasks, the CPSU devotes particular attention to the solution of a crucial problem, such as the one related to the agricultural sphere and its restructuring. The importance of this problem is well known, the questions accumulated in this respect are also well known. They were analyzed in Mikhail Gorbachev's report. In a businesslike spirit, with a new approach, the paths for a decisive change are now being mapped out. This applies, in particular, to a drastic change in the economic relations and social conditions of the rural areas.

By opening vast prospects for the most varied forms of management, for cooperatives, and for the land lease method, the CPSU aims at an optimal utilization of the tremendous potential represented by the kolkhozes and sovkhozes. This is how the Soviet Union can proceed toward the development of democratization in economic life, and toward the transformation of the kolkhozes into cooperatives of the cooperatives [as published], toward establishing close links between the peasant and the land, between the peasant and socialist property.

Forming leasing and share-holding relations in the framework of collective and private property, establishing economic mechanisms, and providing legal guarantees for the expansion of initiatives and wide-ranging activities—all this will stimulate and improve production and is likely to create a new atmosphere in the rural areas and in the agricultural sphere. A series of measures are envisaged for this purpose, such as: The elimination of regional agro-industrial trusts and of the USSR State Agro-Industrial Committee, as well as the establishment of a state commission of the Council of Ministers on the supply and marketing of goods; the preparation of a law on the land and on the use of land, as well as the development of an ecological program, and the issue of a decree on measures for accelerating the social development of rural areas, and others.

We are talking about radical and extensive changes, intended to develop the agricultural sector and promote it to qualitatively new levels. These changes cannot be separated from the total restructuring process. They represent an integral, complex, scientifically founded, and long-term program which will be based on legal norms. We are confronted with a great task that cannot be quickly accomplished, but requires a transitional period, as well as a voluntary basis and democratic spirit in the application of new forms. The interest and support which are expressed in response to this program confirm that this is the correct method of promoting the development of the agricultural sphere.

The creative search for the most appropriate methods and forms in accordance with the new historical essence of social life is a characteristic feature of the restructuring process in the world of socialism. The restoration toward which the March plenum is directing the Soviet agricultural sphere will play a particularly important role and will contribute to the achievement of the lofty goals of constructive work and peace.

USSR State Bank Chairman on Official Visit

Cooperation Protocol Signed

AU2003170589 Sofia BTA in English 1530 GMT 20 Mar 89

[Text] Sofia, March 20 (BTA)—Mr Vasil Kolarov, head of the Bulgarian National Bank and Mr Nikolay Garetovskiy head of the State Bank of the USSR signed today a protocol on the development of cooperation for the present and the following year.

The basic trend in cooperation between the two banks is determined by the economic reforms underway in the two countries which have many things in common as Mr Kolarov and Mr Garetovskiy pointed out in a statement before the BTA. The changes in the types of ownership, the transition of the enterprises to a self-supporting basis and the extensive application of the commodity and financial relations in the two countries' economies make necessary certain corrections to be made in banking, for which the two banks would consult each other.

The protocol envisages an exchange of experience for changes in the crediting systems, for increase of the role of the banking control on the agreement and economic discipline of the companies, for raising their interest and expansion of the production of consumer goods.

In the sphere of foreign economy the two banks would coordinate the initiatives for credit and finance services of the joint Bulgaro-Soviet enterprises. Actually, a joint organization which is to deal with that was set up as early as last year, and it is quite possible that some other finance enterprises with the same function would be set up as Nikolay Garetovskiy forecasts.

Besides, it is planned that the central banks of Bulgaria and the Soviet Union would work out joint proposals for a transition to multilateral types of settlements in the national currencies of the CMEA-member countries which would be presented before the competent CMEA bodies.

The marketing of the international currencies and credit markets is another important branch of cooperation between Bulgaria and the Soviet Union in the sphere of banking.

In reply to the BTA question what would the basic trends be for coordination of the systems of price formation of the CMEA-member countries the two finance experts expressed their conviction that the prices of the international market would have a decisive impact on the process of price formation within the CMEA.

Atanasov Receives Bank Chairman

AU2003192689 Sofia BTA in English 1838 GMT 20 Mar 89

[Text] Sofia, March 20 (BTA)—Mr Georgi Atanasov, chairman of the Council of Ministers, received today Mr Nikolay Garetovskiy, chairman of the Board of the USSR State Bank (Gosbank).

They discussed issues related to the further raising of the role of banks in the two countries in the conditions of restructuring. Particular attention was paid to improvement of cooperation between the two banks.

Visit by CPSU Central Committee Delegation

AU1703180389 Sofia RABOTNICHESKO DELO in Bulgarian 16 Mar 89 p 2

[Text] A CPSU Central Committee working group headed by Viktor Vasiliyevich Ryabov, deputy chief of the CPSU Central Committee "Ideological" Department, visited our country at the invitation of the Bulgarian Communist Party [BCP] Central Committee.

The guests were received by Yordan Yotov, member of the BCP Central Committee Politburo and secretary of the BCP Central Committee. He briefed them on the implementation of the decisions adopted by the BCP Central Committee July and December Plenums, and especially on restructuring in the intellectual sphere. The requirement for further, active ideological cooperation between the BCP and the CPSU under the conditions of renewal in both countries was stressed.

Soviet Party Working Group Visit Reported

AU2003194289 Sofia Domestic Service in Bulgarian 1600 GMT 20 Mar 89

[Text] A working group of the CPSU Central Committee led by Mark Pozvodin [name as heard], secretary of the Bryansk CPSU Oblast Committee, visited Bulgaria.

The guests were briefed on the ideological work of the Bulgarian Communist Party [BCP] in implementing the social transformations and the political-ideological work at dwelling places under the conditions of the self-managing territorial communities.

Talks took place at the BCP Central Committee Ideological Policy Department; the BCP Oblast Committees in Blagoevgrad, Kyustendil, and Stanke Dimitrov; the Institute on Propaganda of Marxism-Leninism at the BCP Sofia City Committee; and the Fatherland Front National Council.

The members of the working group were received by Vasil Momov, first deputy head of the BCP Central Committee Ideological Policy Department, who briefed them on topical tasks of restructuring the intellectual sphere.

Dyulgerov Meets PRC Trade Union Delegation

AU1703151989 Sofia TRUD in Bulgarian 16 Mar 89 p 1

[TRUD report: "Lasting Friendly Relations"]

[Text] The delegation of the All-China Federation of Trade Unions, headed by Zhang Ruiying, vice-chairman of the federation, which is visiting our country, continued its meetings yesterday. The delegation was received by Petur Dyulgerov, chairman of the Bulgarian Trade Union Central Council.

During the talk, Petur Dyulgerov expressed his great appreciation for the results of the visit paid by our trade union delegation to China in September 1988. He described the present visit as a continuation of the dialogue which began in Beijing. The chairman of the Bulgarian Trade Union Central Council stated that the number of dynamic changes in Bulgaria is increasing. The stage which our country has reached is complicated, because we are in a transition toward the practical implementation of decisions. In this connection the trade unions consider it very important that all working people should participate in the restructuring process.

Zhang Ruiying expressed her satisfaction for the development of friendly relations between Chinese and Bulgarian trade unions and for the increased exchange of experience in trade union work. The Chinese trade unions highly appreciate the decisions adopted by the 10th Bulgarian Trade Union Congress, the striving for renewal, and the hitherto achieved successes in this respect. The All-China Federation of Trade Unions at its

11th congress also adopted a decision to engage in restructuring, in which all Chinese trade union organizations are involved today, she pointed out.

Yesterday the members of the Chinese trade union delegation met Maria Vasileva, secretary of the Trade Union Central Council, and members of the Commission on Socioeconomic Problems, as well as officials from the Trade Union Federation of Agricultural Workers and the Food Industry.

BCP Delegation Leaves for Italian Congress

AU1703190489 Sofia Domestic Service in Bulgarian 1830 GMT 17 Mar 89

[Text] At the invitation of the Central Committee of the Communist Party of Italy [PCI], a Bulgarian Communist Party delegation led by Comrade Milko Balev departed for Rome today. The delegation will take part in the 18th PCI Congress, to be held from 18 through 22 March.

Solidarity Committee Declaration on South Korea

AU2003192789 Sofia BTA in English 1841 GMT 20 Mar 89

["For Peace and Security on the Korean Peninsula"—BTA headline]

[Text] Sofia, March 20 (BTA)—New political thinking and a new approach to the settlement of regional conflicts through dialogue and national reconciliation have been gaining ground in international relations over the last few years. The persistent initiatives and proposals of the Democratic People's Republic of Korea for the strengthening of peace and security on the Korean peninsula and for a peaceful and democratic reunification of Korea are consistent with this spirit, says the Bulgarian Committee for Solidarity With the Peoples of Asia and Africa in a declaration issued here.

At variance with the new political climate and with the favourable tendencies in the international situation and contrary to the interests of the Korean people, South Korea and the U.S. are holding joint maneuvres codenamed "Team Spirit'89". These maneuvres exacerbate tensions on the peninsula and deepen the mistrust between the North and the South. They impede the progress of the national reconciliation dialogue.

The Bulgarian Committee for Solidarity With the Peoples of Asia and Africa condemns the South Korean-American wargames and urges for their termination. "At the same time, we give our heartfelt support to the suggestions of the Democratic People's Republic of Korea for easing tensions on the Korean peninsula and for the implementation of the Korean people's ideas of a peaceful reunification of the country," the declaration emphasizes.

Economic Commentator on Signs of Inflation

AU1403181189 Sofia POGLED in Bulgarian No 11, 13 Mar 89 p 14

[Article by Barukh Shamliev, POGLED Economic Commentator: "Revenue and Prices in One Team"]

[Excerpts] One of the acute disproportions which is affecting the national economy today is the disruption in the balance between the number of banknotes in circulation and their commodity backing. This disproportion is called inflation. [passage omitted]

The word inflation and the phenomenon itself were passed over in silence until recently. Inflation is usually described as a social disease of capitalism. It has turned out, however, that inflation has affected the socialist countries, namely, the Soviet Union, Poland, and Hungary, that it exists in Yugoslavia and China, and that unfortunately, inflation processes are developing in our country, as well.

Official data about the level of inflation in our country do not exist. However, there are sufficient indirect data showing that serious inflation is taking place in our country. Solid monetary reserves have accumulated in our financial institutes and among the population, but they do not have sufficient commodity backing. The gap in this balance amounts to several billion leva. A paradoxical situation has emerged in which money is searching for goods which in most cases are unavailable. As a rule, however, such a prolonged shortage of goods results in inflation. These are the facts! [passage omitted]

The question if often raised: Is it possible to speak about excessive money reserves, when your wages are melting away before you are even aware of holding them in your hand? The answer is easy—there is so much money available, because there is a shortage of goods on the market. Our market is starving for goods, but it has stopped being omnivorous. The money for the goods that have remained unsold is accumulating in the banks in the hope of better times on the market.

Which are the reasons for the emergence of inflation? Can this social and economic evil be eliminated once for all?

The most important reason for the emergence of inflation is the low economic effectiveness, which results in a strain of state finances. It is an open secret that dozens, and perhaps even hundreds of enterprises in our country are entirely supported by the national economy and could not survive even a day without subsidies. The amount of these subsidies is a state secret so far, but it is known that foodstuffs alone are being subsidized with funds amounting to 2 billion leva. What about the amount of subsidies in the machine building and agricultural sectors, in construction, and in the sphere of public services? The economy is facing an "inexplicable"

paradox, because labor productivity is increasing annually, but along with this, dozens of enterprises have increased their production costs, instead of reducing them. Lenin, in his lifetime, warned that "the increase of labor productivity without reduction of production costs is an absurdity." Nevertheless, we have been living for decades with this absurdity and it has necessarily resulted in inflation. [passage omitted]

The administrative apparatus is excessively inflated, as well. We cannot do without it, but as a matter of principle this apparatus is only consuming, without producing any output. For the time being, only the apparatus of the ministries and municipalities operates on the basis of guaranteed wages which are not linked to the the final results of work. Nevertheless, the request that bureaucrats should also earn their daily bread is quite legitimate.

There are different kinds and degrees of inflation. We have not experienced two-digit, or three-digit inflation. However, our trouble is that inflation in our country are accompanied by a shortage of goods.

Inflation is not only an economic disease, but also a social one. It undermines the feeling for social justice, because the working people are not responsible for its emergence and development, because it affects the living standards of working people with different incomes to different extents. The introduction of a cost of living index in our country could alleviate the negative results of inflation. [passage omitted]

The main and most effective means of restricting inflation in our country, however, is the elimination of the commodity shortage. This requires a drastic increase in the production of consumer goods and in providing public services. It is unthinkable to eliminate inflation from our economic life, unless we create normal proportions between production and consumption, between supply and demand, between money circulation and commodity supplies—in other words—without a normally functioning market with its most characteristic element, namely competition. If this does not happen, inflation will continue to affect our living standard and the purchasing power of the Bulgarian currency will be reduced, and it will be difficult for our national products to compete on international markets.

The question is not whether or not inflation exists—the question is its annual growth. Our working people, being the masters of their country, are entitled to information on these facts. Those who imposed an embargo on glasnost about inflation are forgetting the eternal wisdom that three things cannot be kept secret in this world: love, a cough, and inflation.

Expert Views Negotiations With Common Market

AU1703135789 Sofia BTA in English
1310 GMT 17 Mar 89

[Text] Sofia, March 17 (BTA)—"In the light of the new legal framework for economic activity in Bulgaria, undertaking to increase the amount of imports from the EC countries is out of the question. Bulgaria can meet her negotiating partners halfway, making trade concessions only on customs tariffs and the non-application of quantitative restrictions," says a senior official of the Ministry of Foreign Economic Relations in a feature contributed to the latest issue of the SOFIA NEWS weekly.

Mr Nikolay Stefanov, who is an expert in relations between Bulgaria and the EC, comments on the Bulgarian position on the eve of this country's negotiations with the Commission of the European Communities, which can begin in late March or in early April 1989.

Back in 1968, Bulgaria and the EEC established their first unofficial contacts and, as a result, signed some sectorial agreements on trade in textiles, iron and steel, small cattle and beef. The purpose of the forthcoming official talks is to place the relations between Bulgaria and the EC on the sound legal foundation of a global agreement on trade, trade and economic cooperation.

Mr Nikolay Stefanov points out that Bulgaria insists on an across-the-board settlement, i.e. on an agreement that would cover both trade in industrial and farm products and economic cooperation. "The reciprocal extension of a most-favoured-nation tariff treatment is pivotal to the future agreement," the author emphasizes. "Bulgaria insists that such a treatment be granted in keeping with GATT, i.e. that it should not preclude the concessions that either party would grant to any other contracting party to the general agreement," the Foreign Economic Relations Ministry expert says.

According to Mr Stefanov, "the elimination of the discriminatory quantitative limits, imposed by the EC on some imports from Bulgaria, remains central to the future negotiations. This country wants the agreement to specify deadlines for the liberalization of the import terms" for the commodities affected.

Taking note of the EC insistence that the agreement should contain a safeguard clause which, essentially, would allow the Common Market to withdraw the trade concessions it has granted as well as to impose new restrictions, the author of the article emphasizes that this country disagrees with such a selective clause, "all the more so that under it only one contracting party, Bulgaria, would assume obligations which would set an unfavourable precedent for her accession to GATT."

The feature points out further on that the conditions of the economic mechanism now in force in this country rule out the acceptance of any commitment to increase the amount of EC imports to Bulgaria. Referring to prices, Mr Stefanov says that a price clause, if at all included in the agreement, should imply a reciprocal commitment to carry out trade at international market prices.

Domestic Charter Airline Company Established

AU1603204689 Sofia RABOTNICHESKO DELO in Bulgarian 15 Mar 89 pp 1, 2

[Article by Plamen Enchev and Vanyo Stoilov: "Charter Aircrafts for Businessmen"]

[Excerpts] Since January 1989 the Khemus Air Company for charter flight services has organized two daily flights between Sofia and Stara Zagora on Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays.

Nikola Beyski, director of Khemus Air, stated in an interview: "A few months ago the Stara Zagora Municipal People's Council expressed the wish for such airline services. Numerous officials and specialists from large enterprises travel to the capital daily and, knowing the hotel situation in Sofia, we can imagine the difficulties these people are experiencing in trying to find accommodation. After several months of preparatory work, our company started the charter flights at the beginning of 1989. I would like to point out that this is not a renewal of the old 'Balkan' airline domestic flights, but a charter service of our own company, which has signed an agreement with the Stara Zagora Municipal People's Council, which is actually our sponsor. The citizens of Stara Zagora decide who should be accepted as a passenger. This applies mainly to specialists traveling to and from Stara Zagora, as well as to private citizens, if there are enough places available." [passage omitted]

Emil Dimitrov, business manager of the Khemus Air Company, stated: "In 1988, for example, we organized approximately 150 charter flights to Burgas, Varna, and Istanbul for Bulgarian and foreign tourists, using the same aircraft. Nevertheless, our basic work involves single flights to destinations selected by our sponsors. How could one otherwise cover the distance between Plovdiv and Silistra in the shortest possible time?"

Peycho Denev, deputy chairman of the Stara Zagora Municipal Council Executive Committee, explains: "We established an association between the Municipal People's Council and four Stara Zagora enterprises. [passage omitted] On behalf of the association, we signed an agreement with Khemus Air for flights between Sofia and Stara Zagora, but possibilities of using the charter services for flights to other destinations within the country are envisaged. The 'Balkan' airline responded favorably to the agreement and consented to the provision of services for the passengers as regards the sale of tickets, handling luggage, and so forth."

On the basis of this relatively short experience, the following evaluation becomes evident: The Khemus Air Company and the Stara Zagora Association once more demonstrate the great opportunities resulting from the initiative of self-managing organizations and territorial communities to jointly solve problems to their mutual advantage. Such solutions are in everyone's interest—both the Khemus Air Company and the municipality are benefiting from this initiative. Above everything else, however, it is a time-saving facility for businessmen whose official duties oblige them to make regular trips between Sofia and Stara Zagora.

Prague Court Hears Appeal in Havel Case
LD2103143789 Prague Domestic Service in Czech 1400 GMT 21 Mar 89

[Text] An appeal hearing in the case of the accused Vaclav Havel took place at the Prague city court today. The city court found him guilty of participating in a banned gathering of people which had disrupted public order on 16 January in Wenceslas square, Prague District 1, in the area around the monument to Saint Wenceslas. In so doing this, he committed a misdeameanor against public order.

For this misdemeanor and a criminal act of sedition he was sentenced to a summary unconditional sentence of 8 months' imprisonment. He was assigned to spend the sentence at the first corrective educational group. The sentence is confirmed by law.

The open public hearing was attended by Czechoslovak and foreign journalists as well as the International Helsinki Human Rights Federation.

Daily Cites Yeltsin's Speech at CPSU Plenum
AU2003171089 Prague RUDE PRAVO in Czech 17 Mar 89 p 5

[Unattributed Moscow dispatch: "IZVESTIYA of the CPSU Central Committee on B. Yeltsin's Speech"]

[Text] Moscow— The Soviet monthly IZVESTIYA TSENTRALNOGO KOMITETA KOMUNISTICHESKOY PARTII SOVETSKOGO SOYUZA publishes in this year's second issue the stenographic transcript of the October 1987 session of the CPSU Central Committee, at which Boris Yeltsin, who at the time was candidate member of the CPSU Central Committee Politburo and first secretary of the Moscow CPSU City Committee, expressed reservations about the work of the Politburo. At the outset of his speech he declared that he approves of the submitted documents pertaining to the celebrations of the 70th anniversary of the Great October Socialist Revolution and fully supports them. He went on to say:

"I would like to raise a number of issues that I have gathered over the period of my work in the Politburo. I fully agree that restructuring is now grappling with great difficulties and that each one of us bears great responsibility and has great obligations.

"In my opinion it is necessary, first and foremost, to rebuild the work of party committees and the party as a whole, starting with the Central Committee Secretariat, as discussed at the June plenum of the Central Committee.

"Even though 5 months have elapsed since then, I must say that nothing has changed, especially as far as the style of work of the party's Central Committee Secretariat and the style of work of Comrade Ligachev are concerned.

"Mikhail Sergeyevich and others have spoken today about the inadmissibility of all kinds of insults and forcing of views at any level, insofar as economic and other organs are concerned. However, this is taking place precisely at this level and, what is more, it is taking place at a time when the party must embark upon a revolutionary path and act in a revolutionary manner. One does not feel revolutionary spirit and revolutionary offensiveness, nor does one feel party comradeship in relation to local party committees and many comrades. It seems to me that the following needs to be achieved: In drawing on the lessons of the past and in appraising the blank spots of history, which were discussed by Mikhail Sergeyevich today, it is necessary, first and foremost, to draw conclusions for today. It is necessary, first and foremost, to draw them for the future. What, then, are we to do? How are we to set right what happened and prevent it from repeating? After all, what happened then was a plain discrediting of the Leninist norms of our life, which later led to their exclusion, for the most part, from the life of our party.

"I think that what was said at the congress about restructuring in the next 2 to 3 years greatly disorients people, the party, and the masses because it arises from people's sentiments that the attitude toward restructuring is uneven. At first, great enthusiasm was to be felt; it stayed at a high level over the whole period through the January session of the party's Central Committee (1987). However, after the June session of the CPSU Central Committee (1987) people's faith started to wane, which greatly alarms us. Naturally, the reason is the fact that 2 years were devoted to the preparation of all documents, about which people did not know, and they were therefore worried that in these 2 years they did not gain anything substantial.

"Therefore, it seems to me that this time it is necessary to be more cautious in announcing the deadlines and actual goals of restructuring for the next 2 years. Restructuring will, of course, be very difficult. Even if the party's actions will be far more revolutionary from now on, 2 years are not enough. After 2 years the party's authority in the estimation of people could suffer.

"I must say that the constant calls urging us to adopt fewer documents, while at the same time they approve more documents, are producing a superficial attitude toward these resolutions, a distrust in them. One resolution follows another. We are appealing to each other to reduce the administration. However, taking Moscow as an example, I must say that although 1 year ago we had 1,041 offices here, after successfully liquidating 7 of them with great effort, we were left with 1,087 instead of the original 1,041 because, in fact, in the meantime resolutions had been passed to set up more offices. This naturally contradicts the party line and the conclusions adopted by the party congress, as well as the appeals that we are addressing to each other.

"There is another issue. It is not simple, but we are here at a plenary meeting of the members of the party Central Committee, the most trustworthy and frank forum, where one can and must say, as a Communist, all that one thinks and feels.

"I must say that the lesson we have learned during these 70 years is a difficult one. We have had victories, as Mikhail Sergeyevich said, but we have also had to learn our lesson, the lesson of very severe defeats. These defeats occurred gradually, due to a lack of collective spirit, due to factions, because the power in the party was concentrated in one pair of hands, and because he, a single person, was protected against any and all criticism.

"For instance, I am most concerned that the situation in our Politburo is not (as it should be), that recently one notices a certain upsurge of eulogies for the general secretary from certain Politburo members—certain permanent Politburo members. I think that today this in particular is simply intolerable, especially today, when the most democratic forms of principled mutual relations, comradely relations are being shaped. This must not be tolerated. It is necessary to subject ourselves to criticism, and not to succumb to eulogies which, in time, could become the 'norm.' We simply must not permit this to happen.

"I know that so far this has not led to any specific, impermissible deformations; but the first manifestations of such attitudes are already here. It seems to me that these phenomena must be averted.

"One final thing: It is obvious that, for various reasons, I am not succeeding in my work in the Politburo. Both experience and, perhaps, also a lack of support—particularly from Comrade Ligachev—lead me to conclude that I must ask you to release me from the function of Politburo candidate member. I have already handed in the appropriate declaration. Obviously the plenum of the city committee will decide on my office of first secretary of the party's city committee."

In the discussion that followed, certain CPSU Central Committee members made critical statements with regard to Boris Yeltsin's speech. He was given the floor a second time, so that he could make his original statement more precise. He said:

"This, of course, is one of life's hard lessons for me today. First, to put a few facts straight: Regarding restructuring, I have never yielded, and I have never had doubts about the party's strategic and political line. I believed in it and properly implemented it together with comrades from the Politburo and the city party committee. When I spoke about the lack of balance in terms of relations among people, I referred to the period between the January and June sessions of the party Central Committee. It is not because we do not know people. Very often we pay visits to collectives, and therefore know how they feel. After the January plenum, as well as after the congress, there ensued a great emotional, political, and ideological enthusiasm which also continued after the June session of the CPSU Central Committee. However, soon after the June session of the party Central Committee, we began to notice that the moods began to change somewhat. We thought that the reason for this was that the June session of the Central Committee was complicated to comprehend because it involved economic issues. It is not a simple matter to organize a plenum as such, but much clarification is necessary in order to activate people even more. It was obviously our fault that we permitted activity to abate. However, in no event did I speak about the party and the country as such, but only about the Moscow organization.

"When we began clarifying and implementing this work, again we felt a certain growth of activity. Therefore, I also said concisely that overall the process is uneven from the viewpoint of people's reactions. It really is not possible to rely on this process to proceed upward in a straight line because, there also is the possibility of a certain drop occurring.

"Regarding unity: I do not accept the charges that I wanted to drive a wedge between the unity of the Central Committee and the Politburo. That would be blasphemy. I did not have this in mind at all, and not in regard to the Politburo members either. There is my written declaration which says directly and precisely that, in my view, first secretaries of territorially based party committees must not be members of the Politburo but they can be candidate members at the most, because as Politburo members they are beyond criticism and all of the consequences arising from this. We saw this with our own eyes in a number of spheres.

"Regarding the attitude toward those who sing praises: Here, again, I did not speak about Politburo members, but about several people. Involved are two or three comrades who, in my view, are misusing their positions, even though there is much that is positive in their words. I believe that they speak from heart, but despite that, their words do not benefit the cause."

Jakes Attends National Front Presidium Session

LD2003131189 Prague Domestic Service in Czech 1100 GMT 20 Mar 89

[Text] Let's go over to the Valdstejn Palace in Prague, where the Czechoslovak National Front's Central Committee Presidium has convened for an extraordinary session in the presence of Comrade Milos Jakes. The proceedings are being covered by Alena Millerova:

[Millerova] The session began with Comrade Milos Jakes assessing the response made by the National Front organizations so far to the statement issued by the party Central Committee Presidium on the 41st anniversary of the February victory.

Now for the main point of the agenda: roughly 1 month ago, the National Front Central Committee Presidium discussed a report on the preparations for by-elections to the Federal Assembly [to be held 20 April. At that session, the Presidium members recommended that a number of new features should be tried out in the elections, in particular a choice of candidates. The choice of candidates was entrusted to the different organizations affiliated to the National Front and to the work collectives. Some 106 nominations were submitted for selection, from which the National Front bodies recommended 20 candidates for 9 constituencies. These were the proposals that came up for ratification today by the National Front Central Committee Presidium. They include manual workers, cooperative farmers, doctors, managerial staff, and one political worker. In selecting their candidates for deputy to the Federal Assembly, all of the National Front organizations applied in full the new features that deepen socialist democracy and extend individual involvement in shaping, implementing, and monitoring policy. As was voiced at today's meeting, this selection was carried out quite conscientiously.

After ratifying the candidates at today's session, they will be registered with the district electoral commissions, thus initiating an important stage in preparations for the elections—the presentation of the proposed candidates to the electorate. The election meetings will also be attended in person as far as possible by the members of the Czechoslovak National Front Central Committee Presidium.

Adamec Cables SFRY's Markovic on Election

AU2003152589 Prague RUDE PRAVO in Czech 17 Mar 89 p 2

[CTK report in the "Receptions, Deliberations, Telegrams, Letters" column]

[Text] Prague—CSSR Premier Ladislav Adamec sent a congratulatory telegram to Ante Markovic on the occasion of the latter's election to the office of president of the Federal Executive Council of the SFRY.

PLO's 'Arafat Arrives on 'Short Working' Visit

Met by Lenart

LD1703225589 Prague CTK in English 2101 GMT 17 Mar 89

[Text] Prague March 17 (CTK)—Chairman of the Palestine Liberation Organization (PLO) Executive Committee Yasir 'Arafat arrived here today for a short working visit to Czechoslovakia. He was welcomed at Ruzyne Airport by Czechoslovak Communist Party Presidium member and Central Committee Secretary Jozef Lenart.

Czechoslovak Communist Party General Secretary Milos Jakes received Yasir 'Arafat shortly after his arrival. The two representatives exchanged views on international questions, putting emphasis on the situation in the Middle East and the problems of cooperation between Czechoslovakia and the PLO.

The talks took place in a friendly atmosphere of full understanding and identity of opinions on the questions discussed. Both sides expressed interest in further extension and development of Czechoslovak-Palestinian relations.

Comments on Talks With U.S.

LD1803195789 Prague CTK in English 1722 GMT 18 Mar 89

[Text] Prague March 18 (CTK)—Visiting Chairman of the Palestine Liberation Organization (PLO) Executive Committee Yasir 'Arafat stressed here today that the PLO will continue its strategic policy adopted at a session of the Palestine National Council in Algiers last November until real peace is reached and a peace territory of Palestine created.

In an interview to Czechoslovak television at the end of his short visit to Czechoslovakia, Yasir 'Arafat stressed that Israel will obviously follow its extremist and fanatical religious groups which have intensified their activity. At the same time, however, we can see that Israeli democratic, progressive peace forces are being activated. A total of 54 percent of Israeli citizens are for a dialogue with the Palestine Liberation Organization, for reaching peace, and this is very important.

The fact that the Israelis, Palestinians and Europeans negotiated together and established a dialogue at last year's model conference in Prague and similar events which followed in Paris, Liverpool and Washington is also an important signal which is at the same time an encouragement for all peace processes and all peace movements in Israel to continue to strive for reaching a real peace.

After the publication of the Palestinian peace initiative the PLO found itself face to face to the escalation of the policy of suppression on the part of the Israeli occupation army. During the 15-month-long popular uprising, more than 650 Palestinians were killed, 32,000 people wounded and 5,400 crippled. Some 30,000 Palestinians are held in concentration camps and thousands of Palestinian houses were destroyed. Palestinian basic and secondary schools as well as universities have been closed for the second year.

Asked about the results of dialogue between the PLO and U.S. diplomacy, Yasir 'Arafat said that the new U.S. Administration agreed to continue the dialogue. The second round of talks begins in the Tunisian capital in the next few days, meanwhile consultations between PLO and U.S. ambassadors continued in Tunisia. "It is our wish to include in the agenda the speeding up of

peace processes, including the convocation of an international Middle East conference under the auspices of the U.N. with the participation of five members of the U.N. Security Council and all parties concerned including the PLO."

The PLO chairman further said that "the Intifadah will continue until the end of Israeli occupation". The general atmosphere in the world becomes favourable for the understanding of realities and facts. It is more and more revealed how the Palestinian people suffer under the Israeli aggression, Yasir 'Arafat stressed.

'Arafat Ends Visit

LD1803131889 Prague CTK in English 1253 GMT 18 Mar 89

[Text] Prague March 18 (CTK)—Chairman of the Executive Committee of the Palestine Liberation Organization Yasir 'Arafat today ended his short working visit to Czechoslovakia.

He was seen off at Prague airport by Czechoslovak Communist Party Presidium member and Central Committee Secretary Jozef Lenart.

Platform of Defense Secretary Cheney Criticized

AU2003121589 Bratislava PRAVDA in Slovak 18 Mar 89 p 7

[Milan Rusko article in the "Foreign-Political Note" column: "This Is a Strange Attitude"]

[Text] A week ago U.S. President George Bush nominated Dick Cheney as defense secretary, after the previous favorite, John G. Tower, suffered a political knockout in the Senate. From the very first moment, it was evident that this time there will be no political complications; the Senate approved the nomination yesterday. Dick Cheney was never a soldier—first he was exempt from military service because he studied at a university, and after that because he already had a family to provide for. But he was always close to the Pentagon, especially as a member of the House of Representatives for Wyoming. Thus, during his activity in the White House during Gerald Ford's tenure, as well as now, this Republican always voted for the expansion of military programs. He defended the program for the production of MX strategic nuclear missiles, of binary and chemical weapons, as well as the militarization of space.

His first appearance before the Senate Defense Committee affirmed his reputation: He spoke against the continuation of the disarmament process, even though he masked his attitude with a "sincere endeavor" to safeguard the security of the United States. According to the news agency UPI, he declared that the United States has not yet arrived at the point where it could restrict its security as an answer to Soviet steps.

"I think that we have made a big mistake...we must be very vigilant," he stressed when commenting the Soviet disarmament proposals by Mikhail Gorbachev. He warned the West not to "accede hastily" and appealed to the NATO partners not to lose sight of the Pact's objectives.

Only these few attitudes toward the centerpiece issues of the current international situation show on what platform the new secretary stands. He warns against the "mistake" of continuing disarmament and against the continuous development of Soviet-U.S. relations. Yes, his vocabulary might be finer, more diplomatic, more cunning, but the essence remains the same.

Should he continue in this direction, it could have unfavorable consequences, not only for the dialogue between big powers.

Optimists assert that Dick Cheney comes forward with such theses in order to avoid J. Tower's fate. But those who have known Dick Cheney longer are convinced that this reflects his credo.

1989 Leipzig Spring Fair Concludes 18 Mar

Final Negotiations Conclude

AU2103112989 East Berlin NEUES DEUTSCHLAND in German 20 Mar 89 p 1

[Text] Leipzig (ADN)—On Saturday [18 March] the 1989 Leipzig Spring Fair was successfully concluded after 7 days of intensive negotiations, business activities, and scientific-technological exchange of information. The participation of approximately 9,000 exhibitors from all continents and of politicians, merchants, and visitors from 113 countries stresses the great international character of the fair and its position as a site of trade that unites peoples in the interest of peace. Producers and exporters presented their scientific-technological top achievements in 16 lines of business.

Great attention was paid to the traditional walking tour of Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and of other members of the party and state leadership. In talks, foreign government representatives, industrialists, and merchants praised the Leipzig Fair as a center of East-West trade. They paid tribute to the host country's offers and showed their interest in stable economic relations with the GDR.

"Flexible automation," the topic of the fair, was supported by international symposiums and more than 230 technical lectures. Approximately 1,100 publishing houses from all over the world presented their latest editions at the International Book Fair.

On the last day of the fair, the GDR Transport Machinery Export-Import foreign trade enterprise and the Hungarian Mogurt Transtrade Limited Foreign Trade Enterprise concluded a contract on the supply of 3,100 trucks from Ludwigsfelde to the Hungarian People's Republic.

Other foreign trade enterprises also reported on contracts. The Technokommerz foreign trade enterprise concluded export and import contracts on hydraulic products and fittings worth approximately R35 million with CSSR enterprises. The GDR will supply the Greek Intracom Company with structural components and materials to produce pulse-code-modulation transmission technology.

Export and import contracts between the Carl Zeiss Jena foreign trade enterprise and the Leningrad Burevestnik Production Association provide for mutual deliveries of X-ray analysis measurement technology within the scope of the direct relations in research and production.

USSR Official Praises Fair

AU2103092489 East Berlin NEUES DEUTSCHLAND in German 18-19 Mar 89 p 3

[Text] Vladimir Ryabchuk, commercial director of the USSR exhibition, expressed great satisfaction at the results of the Leipzig Spring Fair at a news conference in Leipzig on Friday [17 March]. USSR deliveries of data processors, tractors, rolling stock, refrigerators, and other products are included in the export and import contracts which were concluded between the USSR and the GDR up until, Friday and which are worth approximately R2 billion. Computer technology, railroad wagons, cranes, transporting equipment, and ships are supplied by the GDR. The presence of three large Soviet industry delegations, headed by the deputy minister, have especially contributed to the success, he stated.

As in the years before, the favorable conditions at the international commercial center of Leipzig have also been used for business contracts with other CEMA countries, capitalist industrial states, and developing countries.

16 Mar Meetings Reported

AU2003133289

[Editorial Report] East Berlin NEUES DEUTSCHLAND in German on 17 March on page 3 carries six reports, ranging from 100 to 250 words, on meetings between GDR officials and Western and Communist officials at the Leipzig Fair on 16 March.

The first report (100 words) reports the meeting between GDR Deputy Foreign Trade Minister Jochen Steyer and Song Shuhua, head of a PRC economic delegation and vice governor of the Hebei Provincial People's Government.

The second (150 words) deals with the meeting between GDR Foreign Trade Minister Gerhard Beil and Dr Umberto Agnelli, vice president of the FIAT Holding Company. Vice President Agnelli stated "that considerable impetus has been given to the economic relations between FIAT enterprises and the GDR foreign trade enterprises and combines."

The third (250 words) is a report on the meetings between Rudi Georgi, minister of construction of machine tools and processing machinery, and Anatoliy Bratukin, USSR first deputy ministry of the aviation industry, Anatoliy Kalistov, USSR deputy minister of machine building, and O.A. Korolev, USSR deputy minister of the machine tool and tool building industry. It is stated that "steps to further develop scientific-technological cooperation" were discussed.

The fourth report (150 words) deals with the meeting between Foreign Trade Minister Gerhard Beil and an economic delegation from Baden-Wuerttemberg, headed by Economics Minister Martin Herzog. Dr Beil stated that "in 1988 the exchange of goods with Baden-Wuerttemberg increased 17 percent, compared to 1987."

The fifth (100 words) reports on the meeting between Foreign Trade Minister Gerhard Beil and Hungarian Trade Minister Tamas Beck. The ministers "discussed measures to fulfill the 1989 protocol on the exchange of goods."

The last report (100 words) deals with the meeting between Deputy Foreign Trade Minister Dietrich Lemke and his Polish counterpart, Stanislaw Amanowicz. They stressed that "there are good prerequisites for implementing and overfulfilling the mutual deliveries agreed upon in the 1989 protocol."

17 Mar Meetings Noted

AU2103103689

[Editorial Report] East Berlin NEUES DEUTSCHLAND in German on 18-19 March on page 3 carries four reports, ranging from 100 to 200 words, on meetings between GDR officials and Western businessmen and officials at the Leipzig Fair on 17 March.

The first report (120 words) deals with the meeting between Gerhard Tautenhahn, GDR minister of construction of general machinery, agricultural machinery, and vehicles, with Umberto Agnelli, vice president of the FIAT Holding Company.

The second (120 words) deals with the meeting between GDR Foreign Trade Minister Gerhard Beil and Pinya Chouyplod, deputy trade minister of the Kingdom of Thailand. The Thai politician noted that "the efficiency of the GDR industry is a very good basis for the development of economic cooperation."

The third (100 words) is a report on the meeting between Rainer Schwabe, general director of the DEUTRANS combine, with a delegation of the Hamburg Senat, headed by Senator Horst Gobrecht.

The fourth report (200) words deals with the meeting between GDR Foreign Trade Minister Gerhard Beil and Otto Wolff von Amerongen, honorary president of the German Industry and Trade Association. The FRG official praised the role of Leipzig as an "important East-West trade center."

Further Contracts Concluded

AU2103103989 East Berlin NEUES DEUTSCHLAND in German 18-19 Mar 89 p 1

[Text] Leipzig (ND)—GDR foreign trade enterprises continue to report on numerous contracts concluded in Leipzig. A contract on the delivery of 32-bit computers, 16-bit personal computers, memories, and peripheral equipment worth R245 million to the USSR in 1989-90 was concluded between the Robotron Export/Import foreign trade enterprise and the Elektronintorgtekhnika enterprise. By Friday noon [17 March] export and import contracts valued at approximately R2 billion were concluded between the USSR and the GDR.

The delivery of 23 TAKRAF bridge cranes was agreed upon with the Algerian Metal-Sider Company. For the first time, the Baukema foreign trade enterprise sold hydraulic universal excavators to Indonesia. The U.S. Bakish Company ordered high technology from the GDR: Next year it will get six electron-beam cannons developed in the Manfred von Ardenne Institute. Industrial metrology from the Carl Zeiss Jena Combine will be used by leading enterprises of the Japanese automobile industry. Enterprises from France, the United States, and the FRG bought sheet-fed offset machines. An import contract on 19 dual-frequency locomotives of the 80 E 1 type, which will be used in the border-crossing traffic between the GDR's alternating-current network and the CSSR's direct-current system, was concluded with the SKODA Export Company.

On Friday the symposium on flexible automation was concluded. A 2-day international symposium on the topic of "Technology Transfer—for Cosmopolitan Trade and Technological Progress" started with 120 leading economic representatives from 20 countries and representatives of international organizations.

Iraqi Trade Minister Holds Talks

JN1803160289 Baghdad INA in English 1520 GMT 18 Mar 89

[Text] Leipzig, Mar 18, INA—Iraqi Trade Minister, Muhammad Mahdi Salih, met here today with Democratic German minister for foreign trade, Gerhard Beil.

During the meeting, bilateral trade relations were reviewed between the two ministers.

The Iraqi minister subsequently held talks with Democratic German minister of electrical engineering and electronics, Felix Meier, on the electronic projects scheduled to be set up in Iraq.

The Iraqi minister arrived here yesterday to take part in the inauguration of the International Leipzig Fair.

Stoph Congratulates SFRY's Markovic on Election

AU2003142389 East Berlin NEUES DEUTSCHLAND in German 18-19 Mar 89 p 2

[Text] Berlin (ADN)—Willi Stoph, chairman of the GDR Council of Ministers, has conveyed cordial congratulations to Ante Markovic, newly elected chairman of the SFRY Federal Executive Council.

Stoph, Hungarian Trade Minister Hold Talks

LD1603001589 East Berlin ADN International Service in German 1849 GMT 15 Mar 89

[Text] Berlin (ADN)—The weight of socialism in the struggle for a peaceful future for the peoples must above all be augmented through raising the efficiency of cooperation between the socialist states. This need was stressed by GDR Premier Willi Stoph and Minister Tamas Beck, head of the Hungarian delegation to the 26th session of the joint GDR-Hungarian economic committee, during a talk in Berlin today.

The two sides expressed their interest in making an effective contribution to intensifying their countries' economies through deepening cooperation in science and technology, in specialization and trade cooperation. They attach great importance to scientific-technical cooperation, which has developed positively, particularly in the spheres of key technologies such as microelectronics and biotechnology, and contributes to raising

and speeding up the scientific-technical level of the two countries. The two sides emphasized the further deepening of specialization and cooperation, which influences the dynamic development of economic relations. They underlined the need, through the steady development of trade, to create favorable preconditions for coordinating economic plans between 1991-1995.

Talks End, Protocol Signed

LD1803105389 Budapest MTI in English 1638 GMT 18 Mar 89

[Text] Berlin, March 17 (MTI)—The 26th session of the Hungary-GDR economic and technical and scientific cooperation commission ended in Berlin on Friday with the signing of a protocol.

Hungarian Minister of Trade Tamas Beck and Wolfgang Rauchfuss, deputy prime minister of the German Democratic Republic, the co-chairmen of the commission, stressed the necessity of meeting the approved agreements in time, and the importance of using a wide range of modern cooperation forms that bridge the differences between the economic management systems of the two countries.

The sides termed as good the fulfilment of the product specialization and production cooperation agreements, and determined tasks with the aim of continuing and expanding reciprocally advantageous production specialization. Both sides evaluated as favourable the direct relations between the Hungarian and GDR companies and economic organizations.

Krenz Meets With Hungarian State Prosecutor

AU1703212189 East Berlin NEUES DEUTSCHLAND in German 16 Mar 89 p 2

[Text] East Berlin (ADN)—Egon Krenz, member of the Politburo and secretary of the Central Committee of the Socialist Unity Party of Germany [SED], received Karoly Szijarto, supreme state prosecutor of the Hungarian People's Republic, for a talk. The Hungarian visitor is in the GDR at the invitation of the GDR Office of the General Prosecuting Attorney to conduct an exchange of experiences.

Egon Krenz reported on the further development of the socialist state and legal system, in accordance with the resolutions of the 11th SED Congress. Referring to the local elections, he stressed that the election appeal of the National Front National Council is proving itself as a program of action for working, planning, and governing jointly in a democratic manner. The cooperation between the parties and mass organizations united in the National Front promotes the activity of the citizens, includes them in the preparation and taking of decisions, and increases their responsibility for the further strengthening of the worker-peasant state. Perfecting socialist democracy is the principal goal of the state power. In this connection, the leading role of the workers class and its Marxist-Leninist Party as the natural principle of life of socialism in the GDR is growing. Kurt Krenz stated that 86 laws and important decrees were adopted during the past 1 and ½ decades. They strengthened socialist legality, protected the people's dignity, guaranteed the rights that are embodied in the GDR's Constitution, and are thus an expression of the quality of life in socialism.

Karoly Szijarto pointed out the traditionally good cooperation between the state prosecutors' offices of the two countries and stressed the value of the mutual exchange of experiences. The Hungarian visitor explained his country's domestic and foreign policy.

The meeting was attended by Guenter Wendland, candidate member of the SED Central Committee and general prosecuting attorney, and Klaus Sorgenicht, director of the State and Legal Matters Department of the SED Central Committee. Erno Lakatos, ambassador of the Hungarian People's Republic, was also present.

Hungarian Party Delegation Visits 14-17 Mar

LD1803002689 Budapest MTI in English 2015 GMT 17 Mar 89

[Text] Berlin, March 17 (MTI)—The Hungarian party delegation, which stayed in the GDR at the invitation of the SUPG [Socialist Unity Party of Germany] Central Committee, concluded its four-day visit on Friday. The delegation was headed by Janos Lukacs, member of the HSWP [Hungarian Socialist Workers Party] Political Committee and secretary of the Central Committee.

Mr Lukacs held talks with Horst Dohlus, member of the SUPG CC [Central Committee] Political Committee and secretary of the Central Committee, and Helmut Muller, second secretary of the SUPG Berlin Committee.

In the course of the inter-party talks, Mr Lukacs informed his hosts of the efforts made by the Hungarian Socialist Workers' Party to implement the resolution of the national party conference last may and those of the CC sessions held since then, and mobilizing workers to this effect. Mr Lukacs outlined the problems related to the economic reforms, and the tasks in extending socialist democracy.

The SUPG representatives expressed satisfaction over obtaining first-hand information about the latest CC sessions and the resolutions passed. The two sides shared the view that all fraternal parties were responsible for the path they chose. On behalf of the SUPG, some concern was expressed over the latest developments in Hungary but these concerns were voiced in the spirit of confidence in and in solidarity with the HSWP. The present visit and the sincere talks with the party activists of Berlin and the counties served to mollify the concerns.

Prague Mayor Zdenek Horcik Arrives in Berlin
AU2003124589 East Berlin NEUES DEUTSCHLAND in German 17 Mar 89 p 8

[Excerpt] At the head of a delegation from the Moldavian metropolis, Prague Mayor Zdenek Horcik arrived for a visit to Berlin at the invitation of Mayor Erhard Krack. He was cordially welcomed by his host in the Red Town Hall on Thursday [16 March]. Erhard Krack briefed his counterpart on the successful municipal development of the GDR capital and surveyed the tasks in the citizen's interest that have to be solved by the 12th SED Congress. [passage omitted]

Arab Trade Union Delegation Concludes Visit
AU2103111989 East Berlin NEUES DEUTSCHLAND in German 20 Mar 89 p 2

[Text] Berlin (ADN)—A 3-day meeting between the Secretariat of the International Association of the Working People of the Public Service Sector and of Related Professions with a delegation from the Arab Trade Union of Bank, Insurance Company, and Fiscal Officers, headed by General Secretary Salim Salih Gilah [spelling as published] was concluded in Berlin on Saturday [18 March]. During the deliberations, the two sides fully agreed with the positive changes in international relations and the related measures to turn the policy of confrontation into cooperation.

The delegations condemned the continued repression by the Israeli occupants in the illegally occupied Palestinian territories and called for the termination of the terror against the Arab population. They welcomed the United Nations' efforts to bring about a just solution for the Palestinian people.

As a result of the negotiations, concrete agreements were made to develop the friendly cooperation between the two organizations in the interest of the trade union members represented by them.

Leaders' Public Appearances for 9-15 Mar
AU1803174789

[Editorial Report] East Berlin NEUES DEUTSCHLAND in German from 10-16 March reports the following appearances of GDR leaders (date of publication and page number in parentheses):

Harry Tisch, Politburo member and chairman of the FDGB National Executive Council, and candidate Politburo member Inge Lange attended a reception by the FDGB national Executive Council on Women's Day in Berlin on 9 March. (10 Mar, p 2)

The following Politburo members and candidate members attended a festive concert in the Leipzig Gewandhaus on 11 March: Joachim Herrmann, Erich Honecker, Werner Jarowinsky, Guenter Kleiber, Egon Krenz, Werner Krolikowski, Guenther Mittag, Gerhard Schuerer, Horst Sindermann, and Willi Stoph. (13 Mar, p 7)

Politburo member Guenther Kleiber and Politburo candidate member Gerhard Schuerer attended a dinner hosted by Council of Minister's Chairman Willi Stoph in honor of the Soviet government delegation in Leipzig on 12 March. (13 Mar, p 7)

Willi Stoph received Danish Ambassador Erik Herluf Krog-Meyer and Netherlands Ambassador Carel J. Schneider for their farewell visits in Berlin on 15 March. (16 Mar, p 2)

Hans-Joachim Boehme, member of the Politburo of the Central Committee (CC) of the Socialist Unity Party of Germany (SED) and first secretary of the Halle Bezirk leadership, attended a conference of the bezirk committee of the Worker-peasant Inspectorate in Halle on 9 March. (10 Mar, p 2)

Hans-Joachim Boehme handed over the first party congress project of the FDJ in Halle Bezirk to young researchers of the Piesteritz Agrochemical Combine in Wittenberg on 15 March. (16 Mar, p 3)

Horst Dohlus, Politburo member and secretary of the SED CC, received a delegation of the CC of the Hungarian Socialist Workers Party, headed by Janos Lukacs, member of the Politburo and secretary of the party CC in Berlin on 14 March. (15 Mar, p 2)

Kurt Hager, Politburo member and secretary of the SED CC, visited the Leipzig International Book Fair on the day of its opening on 12 March. (13 Mar, p 7)

Guenther Kleiber, Politburo member and first deputy chairman of the GDR Council of Ministers, received Pavol Bahyl, deputy chairman of the government of the Slovak Socialist Republic and chairman of the Slovak Commission for Planning and Scientific-Technological Development, in Berlin on 15 March. (16 Mar, p 2)

Egon Krenz, Politburo member and secretary of the SED CC, received Karoly Szijarto, supreme state prosecutor of the Hungarian People's Republic in Berlin; date not given. (16 Mar, p 2)

Siegfried Lorenz, Politburo member and first secretary of the Karl-Marx-Stadt Bezirk leadership, attended the fourth bezirk conference of the District Representatives of the People's Police, in Karl-Marx-Stadt on 15 March. (16 Mar, p 3)

Guenter Mittag, member of the Politburo and secretary of the SED CC held the concluding speech at a 3-day seminar of the SED CC in Leipzig on 10 March. (11-12 Mar, pp 1-2)

Gerhard Schuerer, candidate member of the Politburo, deputy chairman of the GDR Council of Ministers, and chairman of the State Planning Commission, received Pavol Bahyl, chairman of the Slovak Commission for Planning and Scientific-Technological Development in Berlin on 15 March. (16 Mar, p 2)

Grosz To Visit USSR 23 Mar, Meet Gorbachev

LD2003180689 Budapest MTI in English 1623 GMT 20 Mar 89

[Text] Budapest, March 20 (MTI)—Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party [HSWP], is to leave for the Soviet Union on Thursday at the invitation of the Central Committee of the Communist Party of the Soviet Union.

Mr Grosz is scheduled to hold talks with Mikhail Gorbachev, general secretary of the CPSU Central Committee, and attend an international news conference on Friday.

On the occasion of Karoly Grosz's forthcoming visit to the Soviet Union, Laszlo Major, head of the CC's [Central Committee] office and spokesman for the HSWP and Gyula Thurmer, foreign policy advisor to the general secretary, met Soviet journalists accredited to Budapest on Monday.

In a cordial atmosphere, they briefed those present on current issues of the internal and foreign policies of the HSWP, and on preparations for the forthcoming meeting of the Hungarian and Soviet general secretaries.

Rezso Nyers Interviewed on MSZMP's History

LD2103042689 Budapest Television Service in Hungarian 2050 GMT 19 Mar 89

[Interview with MSZMP Politburo member Rezso Nyers on the "Kozelkep" program by unidentified correspondent; date, place not given—live or recorded]

[Excerpts] [Correspondent] The "Kozelkep" program began about 5 years ago, and its aim was to introduce nationally known personalities and public figures, mainly government and party leaders, more intimately. However, life has changed, and there are so many interesting things happening, things that if they were connected with the activity of a given well-known person, would be of more interest to the public than the person's simple personal details. Therefore, I am not going to ask you how you spend your free time on Sundays.

[Nyers] I am glad that the situation has changed in this way.

[Correspondent] I have seen that presently you are, and quite understandably, in the center of the press and mass media attention, and with your permission I have tried to collect your recent statements in the press. As an ordinary reader, I will try to recall your answers to the interviewers' questions and to give my reaction to them. This is how I would like to conduct this interview.

[Nyers] That suits me fine.

[Correspondent] The celebrations of 15 March have only just taken place. There were speeches by the Smallholders, the Social Democrats, the People's Front, as well as by you. But you were the only one who received applause during your speech. So therefore, in your opinion, if an election were held now, how would the MSZMP fare?

[Nyers] I think that the MSZMP, will, by all means, be the largest party because significant mental powers are concentrated in that party. I daresay this for its political, economic and cultural respects as well, and also that I do not consider the schematic criticism, which is sometimes heard, to be correct, which says that everything that happened in this country was bad and that the MSZMP is responsible for it all. I do not know the percentage of its blame in this.

At the Central Committee meeting, Jeno Fock was the only one who recently spoke about this—he gave his personal estimate—and he said that in his opinion the MSZMP would receive 40-50 percent of the vote, and that it would thus be the biggest party.

[Correspondent] Yes, but that concerns the future. My question was that if elections were to be held today, judging by today's atmosphere, how would the MSZMP fare?.

[Nyers] It is even more unpredictable, because now we are in the period of lining up political thoughts and political ambitions, and in my opinion, this makes one segment of the voters uncertain. I daresay that this embarrasses them, too, the duel of words taking place today in the papers and in the mass media.

[Correspondent] One would think—at least this is logically acceptable—that if this party were to undertake to correct the mistakes of the past, it would renew its structure, concept, and politics; peoples would then be justified in joining it. But people are still leaving the party. Do you think that the ones who leave are the ones who safeguard the past exclusively?

[Nyers] No, I do not. The MSZMP, within the relations of the single-party system, was a so-called collective party. As a matter of fact, persons who had concrete political ambitions in this country were orientated toward the MSZMP. Now that a multiparty system is going to exist, it is unavoidable that the collective party will turn into a reform party which does not any longer gather in itself all the mental values of the country.

[Correspondent] So, the ones who leave are mainly the ones who wish to choose another alternative, and not those who say: I am disappointed; I have had enough of this.

[Nyers] No, I would not say it like that. They are one section of those who are dropping out. The other section consists of the disillusioned people. No doubt they think that the party has dropped such theses and thoughts from

the concept of socialism that they felt to be their own, and they feel that this is not the same party. Perhaps they even today believe that it is now possible to establish a society of equals in Hungary, and that it is simply opportunism and compromise which are causing the party to give this up. These are not yet hard, left-wing critics. I would call the third group those persons whom I term fundamentalists in the party Central Committee. I had my reasons for calling them this, and I still believe this. They are not simply Stalinists, but there are Stalinists among them and people whose conception of values is rooted in the past, even today. As for political methods, they glorify the old political ways as well as the one-party system. These people cannot imagine any other future of the working class, the future of ordinary people in Hungary, only if we limit the activity of every other social strata, the activity of every dissident, if we limit the freedom of ventures, and only public ownership, and so on, would prevail. So this third section opposes today's reform policy of the MSZMP on ideological and political grounds. This is the real hard, antireform portion.

[Correspondent] Forgive me for interrupting, but what would you think if those whom you call fundamentalists, let us say, who do not agree with the politics of the MSZMP from the left, separate and form a party of the Hungarian communists or whatever? Would this strengthen the MSZMP or weaken it by dividing it?

[Nyers] One can only prophesize. I believe that every clarification of political thinking strengthens those who want to work with clarified theory and policy. And I judge the reform policy of the MSZMP to be this kind of policy; thus, in my mind, this would strengthen the party, after all,

[Correspondent] Would this have a positive effect?

[Nyers] It would have a positive effect.

[Correspondent] What would you say to those—this is not exclusively my opinion—who say that at the moment it can be observed that, in addition to unity concerning the multiparty system and the changes in public life and in internal politics on the part of the MSZMP, the MSZMP is also somewhat playing for time? It tries to keep postponing the vote on the amendments to the Constitution and the reelection of the National Assembly, in order to gain a foothold, so to speak, and to gain breathing room in this defensive situation in which it seems to find itself.

[Nyers] I disagree with that opinion because it assumes a greater consciousness, organization, and foresight on the part of the MSZMP leadership than it previously exhibited. I admit that there was procrastination until our February meeting. This originated from uncertainty on the part of the party leadership rather than from a conscious intention to play for time. As for the question, for whom is time working? In the party leadership there was not an unambigous and majority stand on the fact that time would definitely work for us. At our February meeting it became obvious—and we recognized this—that time will only work for us if we exercise an initiating role. If we do not exercise this initiating role, time will not work for us. So, with this, I have already answered that it would be a dangerous and bad policy on our part if we think that way.

[Correspondent] According to your much-applauded statement on 15 March, that between 1948 and 1956 we were directed from Moscow by remote control, how would you convince the skeptics who say that it is not a turn to be ignored [words indistinct], that it would not produce the same effect here from Moscow, precisely at the request of certain internal forces?

[Nyers] Yes, yes. I think that none of the great powers possess either the objective financial conditions or the mental-political basis for a return to a cold war today. I refer to both the United States and the Soviet Union. Today there is international glasnost. You, as a TV representative, represent the new situation created by mass communications.

Today, inevitably, in every part of the world, at least those who regularly monitor the mass communication—which today means not only the newspaper, because newspapers can be put under lock and key, but radio and TV which cannot be turned off—and those who observe the world see that there are no devils on the other side, only human beings. Both sides have recognized that they cannot eliminate the other; they cannot remove the other from the political arena, and thus there is a stalemate both politically and militarily.

The third point is that there is no money. There is no money today in the United States to continue arming to a—I do not know what to call it—large extent. Whatever plans there may be—the President's plans—the Pentagon would still support them, and then Congress reduces the sums.

And the situation is the same in the Soviet Union, and in the smaller countries the situation is again the same. But, of course, a situation can occur both in the Soviet Union and in the United States, that in cases of tension, the smaller countries will be called for a unit of greater degree. [sentence as heard] Well, all I can say to this about remote control is that two people holding the same stand are required at both ends of the line: one who controls and another who accepts control. In my mind, today in the Soviet Union there is no one who would want control in this way, and I hope that there is not going to be anybody, either. If there is, here at the other end of the wire, then there must be no leadership which will allow itself to be remote-controlled.

[Correspondent] Presumably, I would like to hope that there are people listening to us now who are not so well-informed about the daily events of politics. Very

many people asked, for example, what pluralism means, not that I want you to define it, because it is currently talked about a lot, so everybody knows roughly what it means. Do you believe that when the multiparty system comes about gradually, the parties will have equal chances to participate?

[Nyers] I do not believe in perfect systems or perfect solutions anymore. It would be a sorry state of affairs if I still harbored such childish beliefs at age 45. I do not believe in the absolute perfection of the multiparty system, primarily because I have lived under such a system and I have seen it in other parts of the world, so I know that it has its weaknesses. My opinion simply is that it is the lesser evil among systems. This is how I see it.

Well, as for the equality of opportunities, my opinion is approximately the same. We cannot talk about an absolute and complete equality of chances. This idyllic equality of chances would come about if, let us say, completely new parties were launched and the MSZMP were also to disband itself, and if a Social Democratic Party and Smallholders Party were not be formed, for these parties still have their sympathetic followers from the old days. So there would be a chance for equality only in this case, because otherwise there is not going to be a complete equality of opportunity.

[Correspondent] The reason this question popped up is a simple thing. Like this, for example: Let us say that the MSZMP has—how should I put it?—wealth going back for decades because the national budget financed the buildings, centers, cars, offices, etc... So the party was not self- supporting but rather was a part of the state through the one-party system.

[Nyers] It is the minimum equality of chances that means that the other parties should receive equal shares of state funding. This cannot be done retroactively because there is no state money for this and simply because houses and desks can not be chopped in half, and so on. However, as for the future, the parties, their newspapers and cultural institutes should have equal relations with the state.

[Correspondent] From what you have said so far, and this was also in the statement you gave one of the papers, it is clear to me that only unity is necessary and only a minimal sphere is given over to prying into the personal past. Everybody is responsible, to a greater or lesser degree. So I am not even going to ask this, but there is a kind of superstitious dread of naming names, in whatever context, be it praise, criticism, or evaluation. So perhaps you will help me with your answer. How do you evaluate the past 30-32 years, which have been marked by the name of Janos Kadar?

[Nyers] I have a general [sommas] evaluation from an earlier period. This evaluation of mine did not have to be changed fundamentally, although I keep reforming it. It is a different situation if I want to evaluate or qualify the entirety of this period, and it is a different situation if I delete certain phases from it. As for its entirety, I consider the Kadar period to be a positive shift from the Stalinist model and also from Stalinist politics. This meant a sharp breakaway in certain areas of politics, but not entirely; and in some areas of the internal structure of party politics, the shift was very tiny, and the Stalinist model essentially remained, although even there there was some movement. There was no part of life in which such shift would not have occurred. So, in its entirety, it was a shift in the right direction. Today it can already be seen that this was not a satisfactory shift; a greater breakaway than this is needed. This is my general opinion.

Within this, the Kadar era had periods. These periods, I judge for my part, and from my own point of view. There was a very short period—we can see this today—which lasted for a few weeks, at the end of 1956 and the beginning of 1957, when the Kadar leadership very much tried to draw lessons from the popular uprising of 1956—the popular uprising which was entwined with counterrevolutionary acts—and to enforce the will of the people expressed in it.

This was the definitive part of it, and it lasted for a very short time. Then this policy became—how should I put it?—a dual-purpose policy. It changed over to the rapid consolidation of society, to the consolidation of it in such a way that it strengthened all that was well-intentioned and that ran like a positive thread through these developments, in spite of the 1948-56, well...dictatorship. And it is here that some sort of problem occurred, because of which the old forces—let us call them fundamentalists—gained ground in Hungarian politics between 1957 and 1960.

These were not only those friendly toward the Soviet Union, the so-called Muscovites, because even the Muscovites—meaning those who came from Moscow; they are the Muscovites—the Muscovites themselves were divided into liberals and Stalinists. So, we must not classify like this. However, those here at home also were divided, and from the mixture of the two a trend representing revenge politics was born within the party. This desire for revenge was a deviating trend from the long-term development of the Kadar period. Janos Kadar felt that this had to be put to a stop, and he felt it earlier, too, perhaps, but Kadar only believed that he was able to put an end to this at the beginning of the 1960's. This is when he anounced the famous slogan: Those who are not against us are with us. He turned the Stalinist thesis around.

Well, this was already a change of phase, and this is when his second period began. I would call this the period of advancing toward reform. This lasted until 1970-72. Here the verges of the phases are uncertain, and this is the most positive period of Kadarian politics, because the reform of foreign, economic, and cultural policy also

were included in this phase. So this was a full-scale reform period. The reform of the system of political institutions was also included in this, although not with the same strength. However, steps were taken here as well, and if this had been developed further it would have been a transition into general reform politics. Beginning with 1969, however, the brakes were put on political reforms. From 1971-72 cultural, and in 1972, economic, reforms also were stopped.

So this is when a new era started. I would term this the period of carefully defensive, maneuvering, Hungarian, Kadarian politics in the shadow of the politics of Brezhnev. It is debatable—and many will debate this, too—whether it was exaggaratedly, excessively, and exclusively defensive, these Kadarian politics. And this can be debated.

[Correspondent] Defensive? You mean in the face of the Brezhnevite influence?

[Nyers] In the face of the Brezhnevite influence, oh yes. Quite concrete influences came into Hungary which demanded the turning-back of our economic reform, just as in the Soviet Union they completely undid the Kosygin reforms, which were far, far further behind our beginning stage. Then influences came to Hungary saying that we should nationalize the cooperatives, just as they had, in essence, nationalized the cooperatives there, within the framework of the agroindustrial combines. Well, here we defended ourselves, and not just Kadar, but the Central Committee, too.

[Correspondent] You opposed it?

[Nyers] Yes, the Central Committee opposed it. Kadar was caught between two fires: strong Soviet pressure and the opposition of the Central Committee. He gave way to the Central Committee and not to Soviet pressure, in 1974. Well, the Central Committee was also divided, I need not say, but there was a majority. What we decided on the question of the cooperatives in 1968 was that they were of equal rank with state enterprises. This was an ideological revolution; this had never been said in the socialist world. He defended this. Well, this lasted until.... [changes thought] In economic policy, however, mainly in the strategy of CEMA, the Kadar leadership gave ground; it gave way to external pressure. There was a force of attraction and pressure at the same time: attraction in the fact that a great deal of oil was promised to Hungary. This was an attraction. There was pressure through the fact that the oil would come if the Hungarians developed CEMA capacities in enormous measures. Well, we could see this; the problem is almost tangible. Kadar's policy gave way on this.

Well, I am a person educated in the sciences, too, and not just a politician. To the question of who is to blame? I will never be able to say quite bravely, disregarding the circumstances and disregarding everything: Up with one person, down with the other. The matter is not so simple. After that came the last period of the Kadar era, which was the era of a political direction that had become confused. I consider it a great pity that in this period Janos Kadar, who still preserved a great deal of his political clearsightedness, had all the same lost the flexibility he possessed in 1956 and also in the 1960's. He did not find the best way of regrouping the political forces, and within this, the matter of reforming the party. So, this demanded two things: the forming anew of political alliance and reform within the party. In this period, what in my opinion were mistakes, both on the part of the Kadar policy and also on the part of the opposition, became mixed together. The opposition began to target Janos Kadar.

[Correspondent] Within the party?

[Nyers] Not within the party, but outside the party.

[Correspondent] The nonofficial...

[Nyers, interrupting] The narrow, nonofficial opposition. There was a very active opposition. This was fighting for its own right to exist. It had positive endeavors as well, although in my opinion it also made some very bad mistakes, such as forcing Kadar into a corner. Kadar did indeed get into a corner, and he reacted badly to these things. From this came the affair of the Writers' Association and a few other affairs. This also impeded the Kadar leadership in this period, say between 1980 and 1987, from being able to really unfurl the banner of the reform policy. By that time, however, he was striving for this.

[Correspondent] So much has been said about the collectivity of the leadership. How is it that in these periods, in the critical points, this collectively did not manifest itself sufficiently, either in trying to remedy the mistake and modify the wrong direction, or in taking a stronger stand?

[Nyers] Well, in this period, criticism within the party was weak, impotent. It did exist; there was criticism throughout, and in the Central Committee as well. It was weak; it did not have a majority; it never managed to get a majority. Thus, as a matter of fact, all of us who were members of the Central Committee in this period and throughout are also responsible in that we did not manage to steer the entire party in a better direction and to lead it to a better policy. From the point of view of the Hungarian nation—how should I put it?—this policy was conciliatory on a sort of minimum level. The Kadar leadership also always gave in on something to the criticism; this must be said. For the most part, what it gave in on was to peel off mistaken ideas from its plans, but it was not able to change over to a consistent reform policy. So, those who took a critical stand also got something, for they did heed, always heed, something of the criticism, but not enough. In this way, unfortunately,

there were situations and series of events which could be called dramatic. In hindsight, of course, everything is very clear. [passage omitted]

[Correspondent] You spoke in another interview about how the world market should be approached and how possibilities there should be created. Do you think that the confidence will exist for them to come closer to us, too? Who are the partners? For, at the moment the partners are of the old order.

[Nyers] Perhaps we cannot say this old order today is the same as it was before. This old order is changing, has changed already. Today, in the Western world—and I am not speaking just about Western Europe, but in the wider sense, about the Western world—they have reached the limits of their own development to a certain degree. This bourgeois world demands greater world trade, and for this it needs markets. They cannot drown in their own lard. The market of the developed countries itself is large enough, naturally, but you can see that the necessity for integration arises precisely for them to create some new source for themselves with which they will extend this large, showy, post-World War II boom period. They need markets for this. The socialist world is more solvent; the developing world is a much less solvent market. So, here, this market cooperation on an international level drives them as well.

[Correspondent] So you think that this is more a question of their need too, rather than a question of confidence?

[Nyers] Confidence is secondary. This process starts, or strengthens, not merely on the basis of confidence. In this respect, very great forces of necessity are operating in the depths of societies. Now, the climate of confidence necessary for this must be created. Today I evaluate this to be improving very strongly, but there is also a third condition.

This third condition is that the economic spheres be more capable of touching each other. But this, I mean that if one sphere is operating according to market categories and the other is in some other, nonmarket cooperation system, worked out according to some other aspect, then the enterprises cannot measure costs and prices against each other, since they think in different categories. Then, trade can bridge this, but in the linked development of technical cooperation, technology is impossible. In this, it is we who have to accommodate.

[Correspondent] A quotation from you: The matter of the reforms is the affair of the Hungarian intelligentsia. This is a minority, but a determining 300,000-400,000 people. The fate of the reform depends decisively on them.

[Nyers] I must explain this thought. [passage omitted] I see the determining role of the intelligentsia in that it is this intelligentsia that must form the economic policy in such a manner that the wide masses can benefit from it, and to politicize in such a way that the most complicated economic policy dilemmas and problems are made comprehensible. On the national economic plane there are very many problems that appear in the abstract, that can be recognized in the abstract, such as the country's balance of payments problem. It is necessary to think more in the abstract if one is really to understand this. Just to lay the balance of payments before the 9 million—let us say 7 million adult—Hungarians would be a suicidal undertaking because only experts can understand it. However, the social and economic problems deriving from the balance of payments do nevertheless have to be put before them.

[Correspondent] I would like to ask you two more things. One of these is again a quotation, very short, something you have said which has appeared in some article: The cart cannot turn back, but it could overturn.

[Nyers] By cart I mean the nation's cart. The interesting thing here is the terrain. This cart is proceeding on a terrain where the road is not straight and not without bumps. So, one has to maneuver on the existing terrain. This requires that those in the driver's seat—and these are the political forces—now, as long as this cart is driven by a single coachman, success depends almost exclusively on the bumps and on the horses. However, when several are in the driver's seat, then all of them somehow must judge the terrain and the cart's speed and maneuvering in an identical manner. Well, what I mean is that if those in the driver's seat quarrel with one another, or if they are uncertain or suspicious, and if they are not characterized by a basic tolerance and acceptance of one another, each acknowledging the other's right to sit in the cart and believing the other capable of helping in some way, then the cart could overturn. So, that is what I mean by this.

[Correspondent] If everything goes according to your plans and to the present optimum conceptions, then how will it be, let us say, in 1990, or in 1991 or 1992?

[Nyers] Well, to my mind, 1990 no longer belongs to the realm of dreams, but 1991 and 1992 do. What I would like is for the country's balance of payments to be in equilibrium by 1992. This is not impossible, just very difficult. What I would like is for us to be able to pay the interest accruing from our debt in its entirety from our own performance, uninterruptedly. With this, I consider the uninterrupted development of our international economic cooperation to already be assured.

[Correspondent] In other words, not to pay them back, but only to pay the interest, only to take up new loans.

[Nyers] I believe that what this requires, naturally, is that the world economy should not sink into a world economic crisis, that the international financial system should be capable of overcoming the system's weaknesses. So all this is also a condition, but I hope that by

1992 this will be the situation. What I would like is for the Hungarian economy to avoid the trap of restrictive monetary policy in that time. This is expressed, in the present new MSZMP program, by the word (?that figures) at the start: upswing. The way I see this upswing is that it could start off on the basis of financial equilibrium.

[Correspondent] Some time ago we agreed—if I may put it like this—that this conversation would not have a personal aspect. I think I have kept honorably to this so far, but allow me just one question right at the end. In your life as a politician, politologist, and economic expert, in your political life, this is not your first run-up, if I may put it like that. How do you feel in this present run-up? This is because years have passed, many, many years, and although it is impolite, I can say this of myself as well: One does not get any younger before the restarts.

[Nyers] Well, the way I feel—and I do not have much time for asking myself how I feel—but I feel like someone in a relay race who has been given the signal to start several times already, who has run the relay several times. Well, this is my last relay run, and I will have to pass on the baton to the younger generation. What I feel now is that this baton should, at all events, remain, that I should be able to pass it on, that there should be someone to take it over from me and run on with it.

PLO's Yasir 'Arafat Continues Budapest Visit

Meets With Grosz

LD1603212289 Budapest MTI in English 1744 GMT 16 Mar 89

[Text] Budapest, March 16 (MTI)—On Thursday [16 March] morning, Karoly Grosz held talks with Yasir 'Arafat in the headquarters of the HSWP [Hungarian Socialist Workers Party] Central Committee. The discussions were attended by Sulayman al-Najjab, Nufal ['Umar Nufal 'Abd al-Rahim] and 'Abd al-Latif Abu Hijlah.

During the nearly two-hour discussion held in a cordial atmosphere, Karoly Grosz welcomed the Palestinian leader as Hungary's friend and an outstanding personality of international life. He stressed that the Hungarian negotiating partner again wants to demonstrate the effort to promote, commensurate to its means, a settlement of the Middle East conflict. Mr 'Arafat's visit confirms the fact that despite the new developments of domestic political life, Hungary continues to be in solidarity with the struggle of the Palestinian people.

Mr 'Arafat informed Mr Grosz of developments in the liberation struggle of the Palestinian people and the civil disobedience movement in the occupied territories. He outlined the resolutions from the 19th Algiers session of the Palestinian National Council which open the way towards peaceful settlement based on mutual compromises. Mr 'Arafat pointed out that currently the struggle is being waged more in the fields of culture and education than by military means. The civil disobedience movement has been under way in the occupied territories for 16 months without the use of arms. The Palestine Liberation Organization has started dialogue, besides the socialist and the non-aligned countries, with the United States and West European countries, and relations have also been established with progressive forces in Israel.

Both parties to the talks highly appreciated the foreign policy efforts of the Soviet Union towards settlement of the Middle East conflict.

With regard to the Middle East situation, Mr Grosz highly appreciated the PLO's efforts aimed at the peaceful settlement of the crisis, the rejection of terrorism as a combatting method, and the acceptance of the U.N. resolutions as a basis for the settlement of the crisis. The sides agreed that the four-decade crisis directly endangers international peace and security. It was established that the enforcement of the right of self-determination and the national rights of the Palestinian people was inconceivable without a lasting and just settlement of that hotbed of tension. They emphasized that the participation with equal rights of the permanent members of the Security Council and all parties concerned, including Israel and the PLO, were a basic condition for the success of the international peace conference, paving the way for settlement.

On Hungary's foreign policy endeavours, Mr Grosz said that the Hungarian diplomacy was marked by realism and openness to the world. In this spirit, it carries on dialogue with all countries prepared for it. The dialogue started with Israel is in the interest of the comprehensive settlement of relations.

Yasir 'Arafat expressed thanks for the consistent moral and political support provided by the Hungarian people and government and the HSWP for the struggle of the Palestinian people, and welcomed the principled and realistic Hungarian foreign policy which contributed to easing tension by promoting dialogue and cooperation.

Early in the afternoon, Mr Bruno F. Straub, president of the Presidential Council, met the PLO leader in the parliament building. Mr Straub said that the Hungarian side was considering the idea of raising the level of the Budapest representation of the Palestine Liberation Organization. Mr Straub pointed out that, by strengthening relations with Israel, Hungary sought to pave the way for the just settlement of the Palestinian issue.

After the consultation, the president of the Presidential Council gave a gala lunch in Yasir 'Arafat's honour. The two leaders delivered toasts.

Attends Straub-Hosted Luncheon

LD1603213189 Budapest MTI in English
1827 GMT 16 Mar 89

[Text] Budapest, March 16 (MTI)—It is obvious to the peace-loving public of the world and unambiguous for other states, that the key to solving the Middle East crisis lies in settling the fate of the Palestinian Arab people and putting an end to Israeli occupation in the areas invaded in 1967. The unarmed uprising of the population of the occupied areas, which has lasted for over a year, and has brought about a qualitative change not only in local conditions but also in the international evaluation of the urgency of settlement, is the consequence of the distress and thirst for freedom of the Palestinian people, said Bruno F. Straub, president of the Presidential Council, to Yasir 'Arafat in the parliament building.

Hungary evaluates the resolutions of the 19th session of the Palestine National Council in Algeria as developments improving the chances of settlement and of the international peace conference, and events of epochal import in the history of the Middle East crisis, which seeks to enforce in practice the right of self-determination of the Palestinian people. Our people and government have always supported the enforcement of this legitimate right, including the right of the Palestinian Arab people to establish an independent state of its own. On the basis of our consistently represented policy, we recognize the proclamation of the Palestine state. We are convinced that a lasting and just settlement for the long suffering Palestinian people and the other states of the region, including Israel, can only be guaranteed by an international peace conference to be held under the auspices of the United Nations and with the participation of the permanent members of the Security Council and the parties concerned, including the Palestine Liberation Organization and Israel.

We are convinced that, despite our modest possibilities, we can make worthwhile endeavours, together with other factors, to improve the conditions of settlement and establish the indispensable dialogue. From this stems our intention of maintaining settled relations with all parties concerned in the conflict, in the service of our joint aims, the Hungarian head of state said.

Yasir 'Arafat expressed thanks for the cordial welcome and for Hungary's support for the just struggle of the Palestinian people for its right of self-determination, freedom and independence. He expressed the hope that his current visit would contribute to deepening understanding and cooperation between the two peoples, and was satisfied to see that Hungary gave a similar evaluation to the just national struggle of the Palestinian people for freedom, independence, and the protection of its national identity.

Mr 'Arafat emphasized, among other things, that the Palestinian people would continue its just national struggle until victory. Our people struggles for establishing freedom and peace for all peoples in the region, he said. Our people has clearly expressed its desire for peace and its peaceful intentions. We have committed ourselves to international legality, and accepted the U.N. resolutions related to the Palestinian issue and the Middle East, including Resolutions No. 242 and 338. We hold it necessary to convene, as soon as possible, a Middle East peace conference with the participation based on equal rights of the five permanent members of the Security Council, and all parties involved in the conflict, including the PLO as the sole legitimate representative of the Palestinian people.

After the gala lunch, Yasir 'Arafat paid a courtesy visit on Istvan Huszar, general secretary of the National Council of the Patriotic People's Front [PPF]. In a cordial atmosphere, the sides appreciated the pioneering role played by the People's Front movement in the establishment of Hungarian-Palestinian bilateral political relations. Mr Huszar informed the Palestinian politician on the place and role of the Patriotic People's Front, which is being renewed in the wake of the reform of the system of political institutions. On behalf of the People's Front movement, Mr Huszar assured the Palestine Liberation Front of further solidarity and cooperation in it struggle for independence and the establishment of an independent Palestinian state. Mr Huszar also said that a Hungarian People's Front delegation would soon visit Jordan with the aim of strengthening relations between the PPF and the PLO.

Holds Talks With Nemeth

LD1703124689 Budapest MTI in English
1148 GMT 17 Mar 89

[Text] Budapest, March 17 (MTI)—Miklos Nemeth, member of the HSWP Political Committee and president of the Council of Ministers, met with Yasir 'Arafat, president of the Executive Committee of the Palestinian Liberation Organization (PLO), in parliament on Friday [17 March] morning. The Palestinian leader is on an official visit to Hungary at the invitation of HSWP General Secretary Karoly Grosz.

Present at the meeting between Miklos Nemeth and Yasir 'Arafat are Sulayman al-Najab, member of the PLO Executive Committee and general secretary of the Communist Party of Palestine, Mamduh Nufal, member of the Political Committee of the Democratic Front for the Liberation of Palestine, as well as 'Abd al-Latif Abu Hijlah, deputy head of the PLO Political Department. On the Hungarian side, Geza Kotai, head of the Central Committee's Department for International Party Relations, as well as Gabor Nagy, deputy minister of foreign affairs, are at the negotiating table.

Further on Nemeth Talks

LD1703195189 Budapest MTI in English
1658 GMT 17 Mar 89

[Text] Budapest, March 17 (MTI)—Miklos Nemeth, member of the Hungarian Socialist Workers' Party Political Committee and chairman of the Council of Ministers, met on Friday in Budapest, Yasir 'Arafat, president

of the Executive Committee of the Palestine Liberation Organization. The Palestinian leader is on an official visit to Hungary at the invitation of Karoly Grosz, general secretary of the HSWP.

Present at the talks between Mr Nemeth and Mr 'Arafat were Sulayman al-Najjab, member of the PLO Executive Committee and general secretary of the Palestinian Communist Party, Mamduh Nufal, member of the Political Committee of the Democratic Front for the Liberation of the Palestine, and 'Abd al-Latif Abu Hijlah, deputy head of the Political Department of the PLO. From the Hungarian side, the talks were attended by Geza Kotai, head of the Department for International Party Relations of the Central Committee, and Gabor Nagy, deputy foreign minister.

In introduction to the discussions, Mr Nemeth said that relations between Hungary and the PLO are good, and that contacts are characterized by openness, sincerity and solidarity. The prime minister noted that the Hungarian Government supports the enlivening international activity, the basis for which was provided by the speech of Mr 'Arafat in Geneva, and the resolutions of the Algiers session of the Palestinian National Council. Hungary's recognition for the declaration of the Palestinian state and agreement to elevate the Budapest representation of the PLO to the level of embassy indicates how the country relates to the Palestinian cause.

With respect to Hungary's international efforts, the prime minister stressed the openness of Hungary, noting that the country seeks not only its own advantage when building relations, but also keeps the interests of others—including the just efforts of the Palestinian people—in view. In this spirit, it raises its voice at talks with Israel, and with the various Jewish organizations, for the settlement of the Middle East situation by political means. In this context, Mr Nemeth noted that Hungary would gladly accept a mediating role, and supports, in proportion with its possibilities, the settlement process of the Middle East situation.

Reviewing bilateral relations, the prime minister also said that, according to the Hungarian evaluation, there are still many untapped opportunities in economic and cultural life.

Mr 'Arafat pointed out that he will continue to regard the Hungarian people as his friends. He appreciated the support with which Hungary assisted the just cause of the Palestinian people.

Evaluating the Middle East situation, he said the region resembles a powder barrel. The Palestinian leader said the events taking place in the region have a direct effect on the development of international life and therefore was of the opinion that a new way of thinking is needed in handling the Middle East situation. According to his position, the world's public should persuade Israel for a new approach to the problems. In this context he termed as useful the dialogue held with the Jewish communities outside Israel, which can help persuade the Shamir government to accept the fundamental principles of peaceful settlement.

The Palestinian leader termed it promising that a certain shift could be experienced in the Middle East policy of the United States. He expressed the hope that this tendency would prove lasting.

Mr 'Arafat voiced his view that the Israeli attacks are continuing against the Palestinian movement. According to the Palestinian evaluation, Israel is playing for time in connection with the proposals aimed at settling the Middle East situation, while the attention of the United States Government is tied down with the home political clashes. In this regard, Yasir 'Arafat held it necessary to convene, as soon as possible, an international peace conference for the settlement of the situation of the region. He fully agreed with the Soviet proposal that the conference should start in six to nine months.

On the request of Mr 'Arafat, the Hungarian Government gave the promise that it would organize the international conference.

After the talks with the Hungarian prime minister, the Budapest office of the Palestine Liberation Organization marked the occasion of the office being raised to the level of an embassy. The Palestinian national flag was hoisted at the embassy by Yasir 'Arafat.

Holds Predeparture News Briefing

LD1703224789 Budapest MTI in English 2105 GMT 17 Mar 89

[Text] Budapest, March 17 (MTI)—Before leaving Budapest, PLO Leader Yasir 'Arafat held an international press conference on Friday.

Summing up Mr 'Arafat's visit to Hungary, Laszlo Major, HSWP spokesman, said that it was reconfirmed in the course of talks with the Hungarian leaders that only a U.N. peace conference could grant a lasting and just settlement of the Middle East situation for all states of the region. According to the Hungarian position, the peace conference should be attended by all parties concerned, including the permanent members of the Security Council and the representatives of the PLO and Israel. The decisions of the conference should take the security interest of all countries in the region into account. The spokesman said that the Hungarian side welcomed the flexible Palestinian proposals for a Middle East settlement and the realistic and circumspect standpoint of the PLO. He repeatedly emphasized that the Hungarian People's Republic and the HSWP would remain in solidarity with the struggle of the Palestinian people.

In reply to questions, Yasir 'Arafat referred to the major role played by the U.N. Security Council in the settlement of the Iraq-Iran conflict. He said that the community of United Nations had shown it was capable of solving a sensitive issue.

The PLO leader said that the visit to the Middle East of Soviet Foreign Minister Eduard Shevardnadze was 'an important event that provided great assistance in making an advance toward peace in the Middle East'. Asked about the establishment of relations between Hungary and Israel, Mr 'Arafat said that he would not like to interfere with the internal affairs of any country and it is the sovereign right of every state to maintain relations.

Seen Off by Grosz

LD1703195489 Budapest MTI in English 1828 GMT 17 Mar 89

[Text] Budapest, March 17 (MTI)—Concluding his official visit, Yasir 'Arafat, president of the Executive Committee of the Palestine Liberation Organization, left Hungary Friday in the afternoon. At Budapest's Ferihegy Airport, the Palestinian leader was seen off by Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party.

Fejti Discusses Concluded Warsaw Talks

AU2103090489 Budapest MTI in English 1838 GMT 18 Mar 89

[Text] Budapest, MTI, 18/03/1989—Gyorgy Fejti, secretary of the Hungarian Socialist Workers' Party [HSWP] Central Committee, held talks in Warsaw from March 16 to 18, on the invitation of the Polish United Workers' Party Central Committee [PUWP]. Mr Fejti met Wojciech Jaruzelski, first secretary of the PUWP Central Committee.

Mr Fejti held talks with Jozef Czyrek, Stanislaw Ciosek, Marian Orzechowski, secretaries of the PUWP Central Committee, Kazimierz Barcikowski, vice-president of the State Council, Kazimierz Cypryniak, president of the Control and Auditing Committee of the PUWP Central Committee, members of the Political Committee, and Zygmunt Czarzasty, secretary of the Central Committee. The sides mutually reported on current home political issues of the two countries, the results of dialogue held so far by the HSWP and the PUWP with the various political factors and movements of the Hungarian and the Polish society. They exchanged views on issues of ideology, the reform of the political system, the role and tasks of the Hungarian National Assembly and the Polish Sejm, the further development of the electoral system, and the activity related to working out the new constitutions in the two countries.

At the end of his talks, Mr Fejti told MTI's Warsaw correspondent that his visit was justified by the political events that have accelerated in the past period in both countries. Alongside the similarities, Mr Fejti said he sees differences between the political processes taking place in the two countries. For instance, Hungary is of the evaluation that the situation has matured for realizing political reform in the framework of the multi-party system, in Poland, political clubs and unions are held to be the most suitable operational framework for the alternative movements. A balance of power should be established in the transition from the monolithic power to pluralist power, Mr Fejti continued, as dictatorical efforts, sharp social conflicts can thus be eliminated, but no model exists for this to date. The Polish roundtable discussions serve as a model for us, Mr Fejti said, as we are seeking the frameworks of a similar interest coordinating forum in Hungary as well.

Both countries evaluate the issue of human rights in the same way. Mr Fejti stressed that freedom rights, personality rights should be elevated to their own rank as a modern country and a modern economy cannot be built with subjects. This can be realized only with free, independent, powerful people. This issue is approached in the same manner in Poland as in Hungary.

Mr Fejti termed as useful his discussions held on the planned Polish electoral law as the HSWP will be able to prepare for the Hungarian elections in the possession of experiences of the Polish elections planned for June. It can, however, already be noted that Hungarian society would not favourably receive the electoral system based on preliminary agreement, that is one like the Polish election of MPs, Mr Fejti said. Therefore, taking into consideration the demand for stability in the transitory period, a combination of competition and agreement should be temporarily established.

15 Mar Commemoration Organizers Criticize Media

LD2103002389 Budapest Domestic Service in Hungarian 2100 GMT 20 Mar 89

[Text] The organizers of the Budapest independent commemoration and peaceful demonstration that celebrated 15 March have strongly criticized the management of the Hungarian mass communications and press, saying that their demonstration hardly received any publicity. In their statement, which was forwarded to the National Press Service, they mention that the symbolic occupation of Hungarian television was not broadcast by the television service itself, while in the meantime many television stations around the world broadcast live coverage of the event. Furthermore, they claim that the commemoration was reported using only a general and uninspiring series of pictures, while the newspapers, too, only reported the speeches in one- sentence extracts.

For this reason, too, they demand that the daily papers, radio, and television be handed back, so to speak, to the nation and to society. Moreover, it is their wish that the practice whereby the Hungarian Socialist Workers Party appoints the press organs' presidents and editors in chief should cease.

The organizers of the independent Budapest 15 March commemoration, in connection with all this, believe that without a free press, there can be no peaceful transition from the one-party system dictatorship to a democratic, independent, and free Hungary.

Free Democrats Protest Havel Sentencing

LD2003181589 Budapest Domestic Service in Hungarian 1730 GMT 20 Mar 89

[Text] The Alliance of Free Democrats [SZDSZ] has proclaimed 21 March a day of solidarity with Vaclav Havel. In the open letter it addressed to the Charter 77 Czechoslovak human rights movement, the SZDSZ expressed its outrage over the fact that the public prosecutor has appealed against leniency in sentencing Havel. They describe it as shocking [megdobbento] that trials are being prepared against several more Czechoslovak persons.

Alliance of Free Democrats Holds Assembly

LD1903142989 Budapest Domestic Service in Hungary 1100 GMT 19 Mar 89

[Excerpts] The Alliance of Free Democrats is holding its general assembly today. Peter Marvanyi reports from the scene:

[Marvanyi] [Passage omitted] We do not want to unleash further sufferings on the people of this country, said Miklos Gaspar Tamas, outlining the image of a bloodless, legal revolution. He also read a letter similar to those received by several spokesmen and members in recent days. Its text goes like this: You will hang. The wording was put together with letters cut out of newspapers by whom Miklos Gaspar Tamas described as an unnamed corresponding party editorial guard. He said that the letter was a sign that the unnamed corresponding party has run out of arguments and is afraid, despite the fact that democracy also guarantees the security of the unnamed letter writers. Speaking about the constitutional concept, Peter Tolgyesi said that it should make the principle of people's sovereignty prevail—something that cannot be expropriated by a single organization, group, or individual. Guaranteeing in the constitution the basic rights of politics and freedom is necessary, as is the division of the branches of power and the separation of the Communist Party, which has now exercised one-party rule for the past 40 years, from state power. Such a constitution is needed which will constrict the state first of all and not the citizen.

Istvan Orsi warned that today's limited pluralism means that those in power share the responsibility without sharing power. The Armed Forces and the Workers' Guard are untouched by reforms, and the state and party cadres' privilege of possessing arms also remains unchanged.

Janos Kiss has said that the Hungarian Socialist Workers Party [MSZMP] must not be forced into a corner with elections that are brought forward, but that issues such as the MSZMP leaving the workplace, the legal and moral incompetence of the present National Assembly in preparing the constitution, the halting of the Bos-Nagymaros project, and the disbanding of the Workers' Guard must be discussed. Agreement with the MSZMP is necessary for a peaceful transition, Janos Kiss said, but this can happen only if the independent organizations form a strong coalition. It was in this spirit that was born the draft declaration which proposes initiating roundtable talks for the independent organizations prior to the negotiations with the MSZMP.

Another draft declaration proposes holding a conference of the East European democratic organizations and movements to eliminate the division of Europe, disputes between states, and the inequal treatment of national minorities.

Alliance Holds News Conference

LD1903201589 Budapest MTI in English 1805 GMT 19 Mar 89

[Text] Budapest, March 19 (MTI)—The Alliance of Free Democrats (SZDSZ) held a general assembly on Sunday [19 March] in Budapest. Participants addressed an open letter to the organizations of the Eastern European democrats, and called on them to coordinate their positions, formulate a common programme to eliminate the divideness of Europe, to ensure the rights and equality of the minorities, at a roundtable conference to be held in Budapest this autumn, it was announced at a press conference following the general assembly.

Participants of the general assembly approved a proposal to launch roundtable discussions between the Hungarian independent organizations.

In the debate over the programme theses of the organization, Gaspar Miklos Tamas, member of the SZDSZ council, said: The Free Democrats would like the peaceful creation of a legitimate power, with the help of the democratic movements, which could be authorized by the citizens themselves by placing into force reforms of their own liking.

Contributions to the debate said there is no middle road between parliamentary democracy and dictatorship, [and] constitutionalization and the establishment of a democratic political environment should be separated. With respect to economic issues: The transformation of state-cooperative property into social property should be encouraged, it would be an illusion to believe that a Western-type market economy guarantees the complete enforcement of society's interests.

Philosopher Janos Kiss, member of the alliance's council, set down as the SZDSZ position: There is no place for political organizations at workplaces and in the armed bodies, however, the possibility of politicking in the parties is also due the members of the armed bodies, as a civic right.

The Free Democrats are to hold the next round of their general assembly on April 16.

Christian-Democratic People's Party Organized

AU2003192289 Budapest MAGYAR HIRLAP in Hungarian 18 Mar 89 p 4

[Text] Three former Democratic People's Party deputies in the National Assembly, Jozsef Ugrin, Dr Ferenc Matcheovics, and Dr Sandor Keresztes, have decided to begin to revive the party, possibly with a new name: the Christian-Democratic People's Party. To do this, they by including young forces established an organizational committee which will also represent the party until the election of the party's constitutional bodies.

Ferenc Munnich Society's Head Interviewed

AU2103094689 Vienna PROFIL in German 20 Mar 89 p 49

[Unattributed interview with Ferenc Berenyi, secretary of the Ferenc Munnich Society: "Do Not Shoot"; date, place not given—first paragraph is editorial introduction]

[Text] Ferenc Berenyi, 68, is secretary of the Ferenc Munnich Society, which was founded 1 November 1988. During his military career, Berenyi reached the rank of lieutenant colonel in the engineering branch. His second job was that of journalist. Originally a young Social Democrat, he joined the Communist Party in 1938. In 1956 he became a short-time member of a district leadership. During the Stalin-Rakosi era many of Berenyi's friends were imprisoned, and he himself was "driven into the background." According to Berenyi, the Munnich Society has 12,000 members, 70 percent of whom belong to the Hungarian Socialist Workers Party [MSZMP]. The Ferenc Munnich Society has an office with a telephone, and it will be formally established in May.

PROFIL: Mr Berenyi, how are you getting on with the current MSZMP leadership?

Berenyi: We approve of the party program that it recently published. We oppose Stalinism and dogmatism, as well as revisionism. We orient ourselves toward Lenin. If one branch within the party remains in the minority, it should be permitted to maintain its opinion so that the question can be discussed again later.

PROFIL: Do you criticize the party?

Berenyi: Like all the other newly founded groups. we went to see party Secretary Gyorgy Fejti. We were in agreement as far as the objectives of the party are concerned. However, we had some differences on the work style of the party leadership.

PROFIL: What do you want to change?

Berenyi: The work concerning the masses! The functionaries should go to the masses.

PROFIL: You do not oppose a multiparty system?

Berenyi: Not at all. The people are in favor of socialism, and they know that some of the new groups are not.

PROFIL: And what if, despite this, the people support these groups?

Berenyi: Then the MSZMP would be in opposition—and why not? Nevertheless, it is a Utopian belief that something like that could happen here.

PROFIL: At what point would you start to resist—in the event of a bourgeois power takeover and the announcement of the privatization of industry?

Berenyi: That would not be necessary, because the workers would do it themselves, and maybe we would join them. Under a noncommunist government it may well be possible that we would take to the streets.

PROFIL: There are people who are afraid of you. At the congress of the Democratic Forum, writer Sandor Csoori said that certain people sleep with their guns under their pillows.

Berenyi: I have my wife with me in my bed.

PROFIL: Do you have any weapons?

Berenyi: Nonsense. Our program is much more peaceful than that of other organizations. We have never forced armed struggle upon anyone, not even in 1956. Many women are also joining our society now, and they certainly do not want an armed conflict. There may well be a few people within our ranks, too, like on the other side, who only see one path—namely, to open fire. However, if we fail to succeed in changing their opinions, then we will expel them.

PROFIL: Do you have a gun license?

Berenyi: Yes, but all I have is the chrome-plated, decorative gun without a firing pin that I was given when I left the Army. However, it does not work. Since then, I have held it only once to check whether it was getting rusty. I support disarmament in every respect.

PROFIL: Mr Berenyi, you named your society after Ferenc Munnich. Do you consider him your idol? After all, he had relations with the Soviets in 1956, even before Kadar.

Berenyi: Munnich was a diplomat for a long time and cannot be held responsible for what happened here. In 1956, several Soviet leaders are said to have asked him to become the leader of this country. He was no longer a young man at that time, and this is why he proposed Janos Kadar, who had been in Hungary all that time and who was familiar with the situation.

PROFIL: If Munnich asked the Soviets for help, does this mean that he is a symbol for you?

Berenyi: It was not Ferenc Munnich who requested the invasion of the Soviet troops, but rather the (Worker-Peasant) government that he did not head. His patriotism and the way in which he loved his country are exemplary for us.

PROFIL: If Hungary was to descend into chaos again, do you think you would have a right to call for Soviet assistance?

Berenyi: That question is hypothetical. and I cannot possibly answer it. I am sure that we are able to avoid such a conflict.

National Bank Devalues Forint To Boost Exports

LD2003192189 Budapest MTI in English
1826 GMT 20 Mar 89

[Text] Budapest, March 20 (MTI)—The National Bank of Hungary has devalued the forint by an average 5 per cent against convertible currencies, effective from March 21.

The devaluation is expected to help to boost more efficient convertible exports and ease demand for hard currency which is growing in the wake of the import liberalization.

From now on, Hungarians will be allowed to buy 21,200 forints' worth of convertible currency for travel purposes every three years.

13 Start Hunger Strike, Protest Havel Jailing

LD2003180589 Hamburg DPA in German
1707 GMT 20 Mar 89

[Excerpts] Warsaw/East Berlin (DPA)—Thirteen members of the human rights group 'Freedom and Peace' and of the radical wing of the illegal Polish Socialist Party (PPS) went on hunger strike in Katowice Monday. By doing so they wish to press their demand for the release of political detainees in Czechoslovakia, including the writer Vaclav Havel. Sources in Katowice say that, along with the hunger strike, there will be daily demonstrations in front of the CSSR Consulate as of Tuesday. [passage omitted]

Havel was sentenced to 9 months' imprisonment in Prague on 21 February for participation in a unauthorized demonstration and hooliganism.

Roundtable Political Reforms Team Meets 20 Mar

LD2003234189 Warsaw PAP in English
2253 GMT 20 Mar 89

[Text] Warsaw, March 20—The roundtable team for political reforms met here today for the fifth time to discuss questions related to the draft electoral law to the sejm and documents concerning formation of the second chamber of parliament and the office of the president.

During the meeting the participants discussed suggestions for entries in the electoral laws to the Sejm and the Senate reaching consensus on numerous questions concerning electoral principles. The team were also briefed on the proposals connected, among other things, with the powers of the president and the Senate. The discussion on the documents is to be held at the team's meeting on Wednesday.

News Conference on Meeting

LD2003234889 Warsaw PAP in English
2312 GMT 20 Mar 89

[Text] Warsaw, March 20—"Today's debates of the roundtable team for political reforms focused on the draft electoral law to the Sejm in which, although it had already been filed with the Sejm, we managed to incorporate several entries which are satisfying for us. Particularly, I mean the guarantee of each candidate's right to appoint his own persons of trust to the calculating of votes," Janusz Onyszkiewicz told today's press conference with participation of representatives of the opposition-Solidarity side.

"The government side also agreed to clearly stating [as received] that the draft electoral law would concern only the elections to the Sejm of the 10th term of office and that in its resolution announcing the elections, the Council of State would unequivocally state the distribution of the total number of seats in the future Sejm which had been negotiated at the roundtable," Onyszkiewicz announced.

In reply to one of the questions, Onyszkiewicz stated that according to his assessment the Sejm might on Wednesday start the debate on the draft electoral law without waiting for the roundtable's arriving at the final arrangements on this issue.

Also today editor-in-chief of the "TYGODNIK POWSZECHNY" Catholic weekly and participant in the opening session of the roundtable Jerzy Turowicz met with Polish and foreign newsmen here.

Answering questions, he said that what had been achieved at the roundtable meant starting a certain process in Poland and added that "since 1945 Poland has been the only country in the socialist bloc in which a real dialogue between authorities and the opposition has been started. The Polish experiment is leading here and its success may be of a great significance for the whole bloc. [no end quotation marks received]

Team on Trade Unions Holds Seventh Meeting

LD2003234389 Warsaw PAP in English
2108 GMT 20 Mar 89

[Text] Warsaw, March 20—Aleksander Kwasniewski chaired the debate of the roundtable team for trade union pluralism which convened for its seventh meeting here today.

The team again tackled the question of people sacked from their jobs for trade union activity after December 13, 1981. The discussants resolved that this problem should be dealt with by a working group which would ponder on possible legal solutions in this regard.

Next the team proceeded towards work on the text of the final document. The hitherto accomplishments of the team include draft amendments to the law on trade unions, draft law on trade unions of private farmers, and settlements concerning trade union property. The team deemed it necessary to take up work on the amendments to the law on trade unions, to include provisions on collective disputes and on the subjective scope of the formation of new unions.

The team had a long discussion on the draft preamble to the final document. The debaters resolved to redraft the preamble so as to accentuate the role of trade union pluralism in the process of democratization of the state and society, economic, political and social reforms, as well as in a better protection of workers' interests.

At the close of the debate the co-chairmen had this to say:

Tadeusz Mazowiecki: We have not completed our work today because we still have to agree our stand on some matters and on the final text reflecting the accomplishments of our six-week work. This applies to the question of reinstatement at work and securing continuity of work. We seek solutions in this area and I hope that we will find them prior to the final meeting of our team.

Over these past six weeks ours was a pragmatic discussion aimed at finding solutions concerning trade union pluralism. On this pragmatic platform we worked out two laws—which is very important and which paves the way for a legal activity of Solidarity.

Aleksander Kwasniewski: We have already settled the most essential matters. March 22 will see the first reading of the outcome of our work, that is, draft amendments to the law on trade unions and draft law on trade unions of private farmers. Then the time will come for Sejm committees to start work. Thus, what was in the focus of our attention has been put upon the road of legislation.

As for the protocol, we want it in a form which would situate trade union pluralism in a broader social and political context. For trade union pluralism is not a goal in itself. What matters is to enrich forms of democracy in Poland, to support economic and social reforms that we put into effect. We hope that this is a context in which the pluralism we build will pass the best test of practice to the benefit of trade unions, working people and society at large.

Economic, Social Policy Team Discusses Report
LD2003235189 Warsaw PAP in English
2321 GMT 20 Mar 89

[Text] Warsaw, March 20—At its eighth meeting today, the roundtable team for economy and social policy discussed a report on the work of the subteam for health which had wound up its debate with the adoption of a final protocol and agreement on a stand on ten basic issues concerning the health of the nation. The stand was approved by the team. The debaters also acquainted themselves with the current state of work of the subteam for mining.

The team continued discussion on the final version of different parts of a draft stand on social and economic policy and systemic reforms. Discussed were versions of the texts agreed tentatively by a joint working group. Progress was made in work on clauses referring to improvement in market supply and living conditions, curbing inflation and introducing economic equilibriun, providing social and institutional conditions for implementing the settlements (of the team—ed.) and shaping a new economic order. The team discussed also a part of the document concerning a labour and employment protection programme.

Until the team meets again on March 22, the work on the final version of the document will be carried by working groups.

Roundtable Figures Interviewed on Consensus
LD2003123589 Warsaw Domestic Service in Polish
1105 GMT 20 Mar 89

[Text] Here is a report from Marek Kassa and Krzysztof Grzesiowski.

[Began recording] [Kassa] Professor Witold Trzeciakowski, co-chairman of the team for economy and social policy from the opposition-solidarity side. Professor, what agenda for today do you envisage?

[Trzeciakowski] The mining roundtable, the health roundtable, and the whole text of the social agreement. All parts, consecutive versions, seven parts.

[Kassa] How do you see the possibility of achieving a quick consensus?

[Trzeciakowski] God is great.

[Kassa] Only that?

[Trzeciakowski] Only that for the moment, and we will see what happens after the deliberations at 1800 or 1700.

[Kassa] You used to be an optimist. Today you are very cautious.

[Trzeciakowski] Life has taught me that.

[Grzesiowski] Professor Wladyslaw Baka, co-chairman of the team for economy and social policy from the coalition-government side. Professor, we would like to ask for a few words. The opposition-Solidarity side is very moderate today in its expectations.

[Baka] Did they tell you that? Well, soon we will be able to find out what moderation means. If we are all in a conciliatory mood—and I have an impression that it will be like that—then it will be all right.

[Grzesiowski] How do you see the possibility to agree today on the social agreement?

[Baka] I think that at least one or two meetings will still be necessary.

[Grzesiowski] The participants in the discussion in the team for political reforms and in the team for trade union pluralism are meeting at 1300. [end recording]

Jaruzelski Addresses Voivodship Council Chairmen
LD2003234989 Warsaw Domestic Service in Polish
2200 GMT 20 Mar 89

[Text] The roundtable discussion and the new Sejm and Senate electoral laws, as well as a draft plan for new state structures, was discussed on the 1st day of a 2-day meeting of the chairmen of the Voivodship People's Councils with the participation of members of the Council of State and the government. Wojciech Jaruzelski chaired the deliberations.

Aleksander Kwasniewski reported on the course and results of the roundtable meetings. Jerzy Breitkopf, head of the Council of State Chancellery, discussed guidelines for the amendments to the Constitution connected with

the plan to set up the Senate and establish the office of president, and also presented the basic solutions of the draft Senate and Sejm electoral laws. [passage indistinct]

Wojciech Jaruzelski pointed out that the roundtable is a logical consequence of the process of reforms initiated by the 10th party congress. He emphasized that the achievement of a compromise by the main social forces was prepared by the many reforms that have been introduced, which have led to the establishment of new democratic state institutions, made law observance and civic rights easier, and introduced openness into socio-economic life.

Jaruzelski Receives MSZMP Secretary Fejti

LD1803043389 Budapest MTI in English 1831 GMT 17 Mar 89

[Text] Warsaw, March 17 (MTI)—On Friday Wojciech Jaruzelski, first secretary of the PUWP [Polish United Workers Party] Central Committee [CC], met Gyorgy Fejti, secretary of the HSWP [Hungarian Socialist Workers Party] Central Committee, who is on an official visit to Poland.

Mr Fejti, who arrived in Warsaw on Thursday, is holding talks with Marian Orzechowski, Jozef Czyrek and Stanislaw Ciosek, members of the PUWP CC Political Committee and secretaries of the CC, and Kazimierz Cypryniak and Kazimierz Barcikowski, members of the Political Committee.

Leaders Discuss Reform

LD1803043689 Warsaw PAP in English 2022 GMT 17 Mar 89

[Text] Warsaw, March 17—PUWP [Polish United Workers Party] Central Committee [CC] First Secretary Wojciech Jaruzelski received here Friday secretary of the Hungarian Socialist Workers' Party CC Gyorgy Fejti, now on a working visit to this country.

In the talk that passed in a cordial and friendly atmosphere, the sides exchanged views on the current socio-political and economic situation in their countries against the background of implementing the reformatory goals in Poland and Hungary. In this context, they discussed factors that influence the reconstruction of mechanisms of the functioning of the state and those that shape a new socialist model based on the rules of the parliamentary democracy with a view to helping broaden the platform of national agreement.

Gyorgy Fejti also met with members of the PUWP leadership: Jozef Czyrek, Kazimierz Barcikowski, Stanislaw Ciosek, Kazimierz Cypryniak and Marian Orzechowski. They exchanged opinions on basic problems of implementing reforms in Poland and Hungary.

Rakowski Makes Official Visit to Iraq, Kuwait

Visit, Agenda Previewed

LD1603211789 Warsaw PAP in English 1758 GMT 16 Mar 89

[Text] Warsaw, March 16—As reported earlier, Polish Prime Minister Mieczyslaw F. Rakowski is going to pay official visits to Iraq and Kuwait shortly.

The visit to the Republic of Iraq, paid at the invitation of First Deputy Prime Minister Taha Yasin Ramadan, is scheduled to start next Friday. Iraq is one of Poland's major economic and political partners in the Arab world. The two countries carry on active dialogue, as illustrated by contacts between political figures on both sides over the last few years. By way of example, Poland's minister of internal affairs, member of the PUWP [Polish United Workers Party] CC [Central Committee] Political Bureau, Gen Czeslaw Kiszczak, visited Iraq several months back and conveyed to President Saddam Hussayn a message from the Polish leader, Wojciech Jaruzelski. Also, consultations between foreign vice ministers of the two countries are held on a regular basis. The sides exchange parliamentary visits and contacts are maintained between the PUWP and the Arab Ba'th Socialist Party.

What plays the key role in overall Polish-Iraqi contacts are economic cooperation and trade. The value of Poland's exports to Iraq last year totalled 212 million dollars. Some 3.3 thousand Poles are currently employed in Iraq, most of them on road building projects. Polish exports to Iraq mostly cover electroengineering products and spare parts, while imports from that country are dominated by crude oil. Last year the oil imports nearly reached 800,000 tonnes.

Polish-Iraqi trade and economic cooperation at present are operating at a level lower that in early '80s, when Polish exports exceeded 300 million dollars and the number of Polish experts working in that country was several times higher than now.

Both sides perceive prospects for intensifying and expanding their cooperation in economy. Hence the issue is bound to be the topic for Prime Minister Rakowski's talks with Iraqi officials representing the country's political and economic life. The fact that Iraq maintains close political contacts with socialist countries, supports disarmament initiatives, and takes a stand on key international issues which is similar to ours will undoubtedly favour that dialogue. Among the other favourable factors mention is due to successful develomement of Polish-Iraq cooperation in culture and science, fairly intense tourist traffic between the two countries, and the fact that a Polish archaeological mission is operating in Iraq, while 600 Iraqi university and post graduate students are currently being trained in Poland.

The Polish prime minister will next go on an official visit to Kuwait, to be paid at the invitation of Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah. This visit as well is likely to entail defining conditions and prospects for boosting cooperation in the economy.

Polish-Kuwaiti political contacts are not particularly active, and contacts in economy, likewise, are far from having exhausted the inherent possibilities. Polish exports to that country last year were worth 20 million dollars, and around one thousand Polish experts are currently employed in Kuwait. Possibilities for expanding Polish exports to that country can be described as considerable.

Departure Statement Issued

LD1703230689 Warsaw PAP in English
1649 GMT 17 Mar 89

[Text] Warsaw, March 17—Poland's Prime Minister Mieczyslaw F. Rakowski this morning left for official visits to the Republic of Iraq and Kuwait. Shortly before his departure he made a statement for the TV news bulletin in which he said in part:

"I think that my visits to Iraq and Kuwait will contribute to strengthening our economic relations with those states. Although those two countries are so distant from Poland, we have many things in common. Our cooperation with Iraq is animated. Our specialists are employed there. There are real reasons to expect that my visit to Iraq will serve the broadening of the hitherto contacts.

"Meanwhile, the trade exchange with Kuwait is not immense but it goes on smoothly. As far as I know, Kuwait is interested in increasing its trade turnover with Poland.

"During the visit to Iraq we will hold talks concerning oil import, among other things. We would like to procure for Poland deliveries of this fuel for the coming five years which is important for the development of motor industry in Poland. We do not plan to enter negotiations on this matter with Kuwait since our oil imports from that region come mainly from Iraq and Iran."

Rakowski Departs Okecie Airport

LD1703123489 Warsaw PAP in English
1053 GMT 17 Mar 89

[Text] Warsaw, March 17—Premier Mieczyslaw F. Rakowski left Warsaw this morning for an official visit to the Republic of Iraq and Kuwait.

Rakowski visits Iraq at the invitation of the First Deputy Prime Minister of the Republic Taha Yasin Ramadan, and Kuwait at the invitation of that state's crown prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah.

At Warsaw's Okecie Airport, Poland's prime minister and officials accompanying him were bidden farewell by cabinet members.

Relations With Iraq Viewed

LD1703235789 Warsaw PAP in English
2235 GMT 17 Mar 89

[By PAP special correspondent Adolf Reut]

[Text] Baghdad, March 17—Chairman of the Council of Ministers Mieczyslaw Rakowski started an official visit to Iraq today, paid at the invitation of this country's First Deputy Prime Minister Taha Yasin Ramadan.

After the ceremony of welcome at the presidential airport here Rakowski and Ramadan held a brief meeting during which the Polish Prime Minister stressed his satisfaction with the possibility to visit this country, while his host expressed the conviction that the visit would provide a very good opportunity to exchange views, and not only on bilateral issues alone.

Rakowski next granted an interview for Iraqi television in which he said among other things:

"This visit is undoubted proof that relations between our two countries are developing at a very high level. I want to recall that Poland was one of the first countries to recognize the Republic of Iraq (...) We consider Iraq our most important trading partner among developing countries. I think one can say, without being regarded boastful, that Poles have considerably marked their presence in Iraq in the field of economic development, and apart from that we have always supported the sovereign rights of the Iraqi nation, as well as the Iraqi Government and the Iraqi party.

"We arrive at the same viewpoint on many an international issue, this obviously being a platform on which to develop cooperation in the political area. We also think that with the Gulf war now over, new possibilities have emerged for a deepened and expanded cooperation."

Saturday's programme includes Rakowski's meeting with Ramadan and two rounds of plenary talks.

Talks With Saddam Husayn

LD1803193989 Warsaw Domestic Service in Polish
1500 GMT 18 Mar 89

[Text] Premier Mieczyslaw Rakowski, who is in Baghdad, held a meeting with Iraqi President Saddam Husayn today. They spoke about the possibility of Poland participating in the postwar rebuilding of Iraq.

The program of the visit also envisions a meeting between the premier and Iraqi Deputy Premier Taha Yasin Ramadan, and plenary talks.

Meeting With Hammadi, 'Aziz

LD1903225989 Warsaw PAP in English 2220 GMT 19 Mar 89

[By PAP special correspondent Adolf Reut]

[Text] Baghdad, March 19—On the third day of his official visit to the Republic of Iraq Poland's Premier Mieczyslaw F. Rakowski met here today with Chairman of the Iraqi National Assembly, member of the Revolutionary Command Council in charge of economy Sa'dun Hammadi to discuss practical possibilities for developing bilateral economic relations. The sides considered prospects for mutual trade including the terms for delivery of oil to Poland.

Similar questions were discussed during a meeting that Mieczyslaw F. Rakowski held with Iraqi Minister of Industry Husayn Kamil.

In the evening Iraqi Deputy Prime Minister and Minister of Foreign Affairs Tariq 'Aziz called on the Polish premier. The talk lasted for nearly an hour.

Also today working meetings were held between members of the Polish delegation and the Iraqi partners.

The talks passed in a frank, direct and business-like atmosphere.

The premier visited Babylon and went to Al-Ramadi along a several dozen-kilmetre long section of a modern motorway built by Polish workers. The Warsaw-based "Dromex" company which is in charge of the construction work employs 1,700 Polish experts and building workers who gave the premier a hearty welcome.

At a meeting with the "Dromex" employees Premier Rakowski characterised the current developments in Poland.

Iraq Visit Results Assessed

LD2003231189 Warsaw Television Service in Polish 1830 GMT 20 Mar 89

[Excerpts] [Presenter] After ending his visit to Iraq, Mieczyslaw Rakowski has gone to Kuwait.

[Begin recording] [Unidentified correspondent] Good evening from Baghdad. [passage omitted] Mr Rakowski, how do you assess the future of Polish-Iraqi relations in light of the results of your visit?

[Rakowski] I assess them very positively. Not just with economic relations, but also the wide sphere of relations that cannot be included in any document. For instance, they relate to the view of domestic issues, the attitudes to many international problems, as well as to the many problems before which contemporary man stands. Finally, they relate to the transformations of political and eocnomic structures of our countries, which after transformation would correspond to the needs of the moment, the needs of the current day and of the future. [end recording]

Communique Issued on Visit

LD2003233289 Warsaw PAP in English 2231 GMT 20 Mar 89

["Communique on Rakowski's Visit to Iraq"—PAP headline]

[Text] Baghdad, March 20—Chairman of Poland's Council of Ministers Mieczyslaw Rakowski paid an official visit to the Republic of Iraq between March 17 and 20 at the invitation of Iraqi First Deputy Premier Taha Yasin Ramadan.

The Polish-Iraqi talks proceeded in the atmosphere of friendship and mutual understanding. Rakowski and Ramadan noted with satisfaction that relations between Poland and Iraq develop favourably on the basis of mutual respect, many-year traditions of friendship and mutually beneficial cooperation in many fields. They unanimously voiced the will of further development of these relations. They briefed each other on programmes of socio-economic development realized in both countries and exchanged views on the key international and regional problems.

Both sides highly assessed the Polish-Iraqi dialogue and cooperation in the political sphere, as well as economic, scientific and cultural contacts.

The sides examined prospects of expanding economic cooperation and trade exchange, stressing the need of a full utilization of existing possibilities through a stricter realization of bilateral agreements.

The sides exchanged views on the key international and regional questions. They voiced the conviction that the positive turn in international relations creates conditions for complete disarmament, alleviation of tensions and development of international cooperation. It is also conducive to increased confidence in international relations and to consolidation of independence and sovereignty of states.

The Polish side presented the key directions of Polish foreign policy, pointing to Poland's activeness in the international arena and to her initiatives such as the plan on decreasing armaments and increasing confidence in central Europe.

The Iraqi side informed the Polish side of the latest developments in the Arab region and of the appointment of the Arab Cooperation Council which is meant to strengthen cooperation between its member countries with a view to their economic integration. The Iraqi side

also pointed to the possibility of other Arab countries' accession to the council. The Polish side noted with recognition that this fact helps consolidate peace and stability in the region.

The Polish side expressed satisfaction over the ceasefire between Iraq and Iran. Both sides reiterated their stands on the full realization of the U.N. Security Council's Resolution No 598 on the settlement of the Iraq-Iran conflict and on restoring a lasting peace in this part of the world.

Both sides paid much attention to the Middle East conflict, calling for practical steps aimed at starting a peace process through an international conference under the auspices of the United Nations. Support was also voiced for the Palestinian nation's inalienable rights to self-determination, enshrined in the declaration on establishment of an independent Palestinian state.

Both sides reiterated their support for the PLO and solidarity with the struggle waged on the occupied territories by the Palestinian nation for its due rights. Both sides expressed concern over the continuing crisis in Lebanon and the conviction that this crisis can only be solved by peaceful means, through national reconciliation and political dialogue between the warring factions. The sides pointed to the need to preserve Lebanon's unity and sovereignty without foreign interference in its internal affairs.

Both sides voiced the conviction that the visit by the head of the Polish Government to the Republic of Iraq opened up a new stage in development of friendship and cooperation between both countries.

Mieczyslaw Rakowski conveyed an invitation from President of the Council of State Wojciech Jaruzelski for President Saddam Husayn to pay an official visit to Poland. He also invited Taha Yasin Ramadan to visit Poland. The invitations were accepted with satisfaction.

Arrival in Kuwait Reported

LD2003232289 Warsaw PAP in English 2152 GMT 20 Mar 89

[By PAP special correspondent Adolf Reut]

[Text] Baghdad, Kuwait, March 20—The signing today of a long-term agreement on economic and scientific-and-technological cooperation and of "the record of settlements and talks" constituted the most important part of the last day of Poland's Premier Mieczyslaw F. Rakowski's official visit to the Republic of Iraq.

At noon the talks conducted at various levels were concluded and at the final plenary meeting of both delegations Premiers Mieczyslaw F. Rakowski and Taha Yasin Ramadan signed the documents.

In short addresses both premiers expressed their satisfaction at this fact and at the atmosphere of the talks. They stressed that the documents both outline the immediate goals and constitute premises for developing cooperation in more distant future. The premiers also extended their best wishes of prosperity to the nations of Poland and Iraq.

The talks produced, among other things, the Iraqi guarantee for delivery of a million tons of oil yearly till 1995 and the Polish side confirmed its interest in imports of non-oil products from Iraq. Formal principles for the activity of the Polish-Iraqi mixed commission were defined to make its work fully effective. The sides confirmed their mutual interest in exports mainly of investments and services from Poland to Iraq.

All this is conducive to strengthening Iraq's position as Poland's second (after Brazil) trade partner among developing countries.

The two sides came to agreement also on the issues of developing the scientific-and-technological cooperation connected, for instance, with scholarship exchange, training of a greater number of Iraqi specialists in Poland and direct [words indistinct].

At a meeting with Iraqi journalists and foreign correspondents held in Baghdad today Mieczyslaw F. Rakowski assessed optimistically prospects of the Polish-Iraqi relations stressing that the point is not only in economic cooperation but also in the similar viewing of international and civilizational problems and in a similar attitude to transforming political and economic structures so that they better fulfill social needs.

We do not start our cooperation, said the premier, from nothing as it has had a many-year tradition. We agreed that its level can be elevated, continued Rakowski. We treat Iraq as a very important partner not only in the Arab world. The premier concluded that the results of his visit to Iraq fulfilled his expectations.

Later today at the presidential airport in Baghdad Taha Yassin Ramadan and other officials bid farewell to Poland's prime minister.

Late this afternoon Poland's Prime Minister Mieczyslaw F. Rakowski started a first-ever official visit of a Polish premier in Kuwait paid at the invitation from Kuwaiti Premier Sheykh Sa'd al-Sabah.

Poland's prime minister was greeted by Kuwait's premier and numerous officials in a military ceremony.

Both premiers talked for a longer while at the airport and then Rakowski left for his residence.

The programme of Poland's prime minister's visit to Kuwait envisages a meeting with amir of Kuwait Sheykh Jabir al-Sabah and with the premier of the country on Tuesday. The programme includes also several other meetings.

General Siwicki Departs for Syria 15 Mar

LD1903154389 Warsaw Domestic Service in Polish 1500 GMT 19 Mar 89

[Text] Army General Florian Siwicki, minister of national defense, has left for an official visit to Syria at the head of a delegation of the Polish Armed Forces, at the invitation of Lieutenant General Mustafa Talas, Syrian deputy prime minister and minister of defense. Among other things, he will pay a visit to the Polish soldiers serving in the UN forces in the Middle East between the Syrian and Israeli armies in the Golan Heights. The Polish military contingent has been stationed there since 1974.

Spokesman Urban Holds 14 Mar News Conference

AU1703112089 Warsaw RZECZPOSPOLITA in Polish 15 Mar 89 pp 1, 5, 6

[Transcript of news conference by government Spokesman Jerzy Urban at the INTERPRESS Center in Warsaw on 14 March]

[Text] On Tuesday 14 March government Spokesman Jerzy Urban held his weekly news conference for Polish and foreign journalists at the INTERPRESS Center. The transcript appears below.

This is the beginning of a period that will determine the future of Poland. The State Council met yesterday to examine draft amendments to the Constitution that would create a Senate and the office of president and to examine an electoral code for both chambers of parliament. This may mean that the State Council is envisaging its own dissolution.

The next stage, which will begin now, will involve consultations and talks that will pave the way for decisions. The draft amendments will be examined by Sejm commissions and will then be put before the Sejm. We can expect the Sejm to cut short its term of office, which will open the way to the holding of elections in June and these will take place in two rounds. The purpose of the first round will be the preliminary elimination of some of the many candidates and during the second round, Sejm deputies and 98 senators will be elected from those who remain.

At the same time, the "roundtable," which provided the political basis for the changes in the system of government and the arrangement of legislative forces, will continue its work. Its most important task at this point is to bring together the main issues about which agreement has been reached and the formulation of a social contract and a declaration based on it that sets out what unites Poles. The teams and other "roundtable" working bodies will complete their work and will separate off those issues about which agreement has been reached from those where differences still remain.

However, this should not be taken to mean that all the "roundtable" will leave behind is a list of points of convergence and a record of detailed questions about which no agreement has been reached. The "roundtable" will leave behind dozens of questions that are too complex or too detailed to be solved in a few weeks, such as the system of communal administration and the reform of various branches of the law. Chickens should not be counted before they hatch. Compromise at the "roundtable" is just beginning to take shape.

Poland is entering a better, but more difficult period. A period that lasted several decades is coming to a close. We are embarking on a new system for political life and the functioning of the state. The Polish United Workers Party [PZPR] will not be able to decide about any law by itself and thus about any government action. This will strengthen the political and programmatic impetus of the operation of the party and will thus enrich socialism. Every move will require negotiations and the conclusion of agreements within the coalition or with the opposition. The political arrangement of forces that will emerge in the new chamber of parliament is something that is completely unknown. The proposal of nonconfrontational elections to the Sejm and fully competitive elections to the Senate was advanced by the government coalition and it outdistanced the demands of the opposition. No one can now say that the opposition issues demands and that the PZPR acts defensively in the face of an excessive number of demands. In addition, today, the government is generally a more radical reformer with respect to economic issues than the opposition.

At the moment we Poles are like patients during the course of an operation. One can already predict that the surgery is going to be successful. However, there may be dangerous post-operative complications. First, economic phenomena may have dangerous social effects. Inflation, shortages, and the use of strikes to regulate incomes may undermine national accord and cause upheavals and crises in Poland.

Second, it may transpire that the new, more democratic and more complicated state mechanism will operate badly in a difficult economic and social situation. After all, we are creating a political and state system that does not have a tradition. The 8 years of experience of parliamentary democracy more than 60 years ago was unsuccessful and ended with a military coup d'etat.

It may turn out that the arrangement of forces and great variety of views in the new parliament will create a legislative blockade and will paralyze reform, especially as the political foundations of the new system of government are just taking shape.

I am not sowing pessimism. Poland cannot afford to have the latest, most far-reaching experiment in 45 years fail. Its collapse would be a historic misfortune for the people and a defeat for all the forces gathered around the "roundtable." Its collapse would deal a crushing blow to Poles' hopes and to Poland's position in the world. It would prompt questions about whether Poles are capable of governing themselves in any way whatsoever. The appearance of this kind of question abroad would undermine the long-term future of the Polish state. The failure of the Polish experiment would also greatly strengthen the opponents of reform in the socialist world.

The stakes that we have started playing for in Poland are so high that we cannot afford to lose. That is, as briefly as possible, as much as has to be said about the current stage in "roundtable" work. This is also the angle from which we have to view the numerous detailed disputes at the "roundtable." They are not of the greatest importance, but they pertain to many important and painful matters.

The West advised Poland to institute the kind of political and economic reforms that we are implementing. There were no journalists or politicians in the West who expected the party and the government in Poland to assume such a radical, bold course and that the opposition headed by Lech Walesa would live up to the challenge of the time.

To put it more precisely, no one in the West expected all this to happen without the eruption of a great, new political crisis. If the opposition were to know how many Western politicians who sympathize with it have in private expressed concern and have asked us whether we are not going too far, too rapidly and too boldly, then the leaders of the opposition would be filled with dismay.

Over the next year, Poland will have to go through a difficult initial stage of a transition period. The economy will determine everything. Today, both good and bad phenomena and trends exist in it. It is already becoming apparent that we will have to say that the projected 20-percent growth in prices was too optimistic. However, despite inflation, the zloty cannot be in such an awful state, because, for example, a dollar costs about Z2,600, whereas in December, more than Z4,000 was being paid for the dollar. There are also difficult, revolutionary economic moves ahead of us, such as the creation of a free market for foodstuffs and bold pruning operations in the structure of industry, which Minster Wilczek spoke about to the "roundtable" economic team. The government is now measuring its paces.

We hear applause coming from the West, but, at the same time, we are being given a cold shoulder. For example, Shapiro, a representative of the U.S. Treasury Department, said, as Radio Free Europe reported from Washington on 24 February, that as far back as martial law, the Polish Government convinced itself that the West would not provide Poland with loans for political reasons and that Poland would have to discharge its debt obligations before it could count on economic support from the West.

On Christmas Eve, 1981, and at the beginning of 1982, the U.S. Government imposed sanctions on Poland that were politically motivated. They cost our country about $15 billion. The U.S. Government then said that the condition for easing the sanctions was the lifting of martial law, then it was the release of political prisoners, and then the establishment of a dialogue with the opposition. However, the easing of the sanctions was of a cosmetic kind. If one were to compare the restoration of normal economic relations, relations that are not checked in any way, to a carrot dangling from a ceiling on a string, then the carrot was constantly being raised higher and higher.

On 31 August 1985, President Reagan issued a statement in which he called on the Polish Government to effect a reconciliation with the disbanded Solidarity union, and then, as he said: "The traditional hand of American friendship will be extended to Poland without any conditions."

Right now, we can hear people talking about the political situation in Poland. Of course this is an important topic, but economic criteria are also of key importance. If Poland starts paying off more of its debts and overcomes inflation, and the economic reform provides results, then the lines of credits will be open, and there will be greater interest in investing one's capital in Poland. The trouble is that achieving these economic objectives and this repayment capability depends, on other things, on the extent to which our economic reform receives foreign backing.

The dependence of some facts of life on other facts of life is opposite to what the West believes. Let me say in all honesty that if we receive increased cooperation 3 months or even 1 month too late, then society's economically-based tension may slow down the economic healing process. Any delay in concluding economic deals with Poland may turn out to be a mine under the political accord which the West is so eager to see.

And now, another matter. Three Silesian coalmines have stopped work; "Marcel," "Mostrzenica," and "Jastrzebie." These stoppages were caused by extremist groups who employ the name "Solidarity." As far as we can tell, these people have nothing to do with the "roundtable" participants. Members of these extremist groups are obstructing the entries to the shafts. That is the technique whereby small numbers of people can immobilize an entire mine. The demands they are making during rallies include political ones. What they want in particular are: workfree Saturdays, 14 salaries per year, and a wage-payout for strikers in August. But they are also demand the expulsion of PZPR representatives from the "roundtable."

I wish to say that the general wave of strikes is subsiding these days. However, despite the agreement reached between the trade unions and postal workers, some post offices are still on strike, which is making the general population increasingly dissatisfied and making life difficult for pensioners. Government bodies are trying to help the pensioners by organizing pension payouts elsewhere. However, getting back to the coal mines, one can see that various extremist elements are threatening the outcome of the "roundtable" and trying to block an accord.

The Vienna conference is in progress. In Vienna, Poland is trying and will continue to try to bring about decisions that are important for the interests and security of our state. These decisions should be, first of all, the elimination from central Europe of weapons used for attack purposes and weapons with a greater destructive capability; second, the inclusion of air forces in the subject matter of the talks, because Polish territory could suffer destruction following the outbreak of any conflict whatsoever; and third, applying the reduction figures not only to both alliances, but also to every country taking part in the talks.

Apart from that, Poland and the FRG have come out with the idea of a representative seminar in June, consisting of diplomats, politicians, academics, and military men, on the subject of military doctrines and on giving these doctrines a defensive character. This is perhaps the first joint Polish-FRG initiative that concerns the whole of Europe.

Next, I wish to apologize to the authorities and members of the Association of Self-Management Activists. Everything I said last week about the meeting of this association's Council of Management is not true. It is not true that this association is a radical opposition group and is not taking part in the "roundtable," which is what I said. It is not true, and I also said that the Council of Management resolved that no members of the PZPR and no trade unionists affiliated to the National Trade Union Confederation [OPZZ] may belong to this association. I take back everything I said, and I am sorry. I was given wrong information about who was meeting, was not told the name of the organization, and misinformed about the contents of the resolution. I recommend disciplinary measures against the official sources of this information, although it is my fault for not asking my colleagues to verify it. However, that does not mean that no politically offensive remarks were made at the meeting. At the same time, I wish to make it clear that the firm majority of self-management activists are committed to the cause of the economic reform and are encouraging it in a creative way. We consider the self-management bodies to be a major factor in the economic and social changes in Poland.

Wrong information is being supplied to and broadcast by Radio Free Europe. For example, Radio Free Europe said on 10 March that 16 persons were detained in Gdansk, and that all of them were beaten and insulted. That was a quotation from Radio Free Europe.

An illegal rally commenced after mass at St. Brygida's Church on 5 March. Some 14 persons were detained. Of these, two minors were released after questioning, one minor was sent before a juvenile court for damaging a militia vehicle, and 8 persons were remanded in custody. Later, four of these persons were placed before a court under summary jurisdiction, and four were released.

Two militiamen suffered light injuries. No one reported any case of militiamen beating demonstrators.

Referring to "Solidarity" sources, Radio Free Europe said that the management of the Plock transportation enterprise and other elements connected with the management are responsible for the strike in that enterprise. I have two things to say to that. First, it is absurd to say that a management consciously provokes strikes by refusing to fulfill the wage demands of the strikers, and if anyone thinks this is so, I suggest he alter his thought patterns. It is, quite simply, nonsense. The management has already exhausted the possibilities of increasing wages. Any further increase would lead to higher taxation, which the enterprise cannot afford.

The Plock People's Council has decided to dissolve this transportation enterprise and create a new one. About 250 people, including 50 energetic opposition activists, gathered outside the Plock City Hall in order to protest against this decision. With the permission of the chairman of the people's council, some of the protesters entered the council chamber and presented their demands. The protesters were informed of this decision. That is the background of the Plock dispute.

Renate Marsch, DPA: When will the new transportation enterprise become operational, and are there any buses on the streets of Plock yet? Has this decision had any effect on bus services?

Urban: No, the strike is continuing, and I do not know when the new enterprise will be organized.

Konstanty Gebert, Lech Walesa's Organization Bureau: Last week, the director of the "Omig" plant in Warsaw founded a one-man limited company and leased the plant premises to this company, which has given rise to various comments. In today's TRYBUNA LUDU, Deputy Premier Patorski writes: "We cannot afford to experiment with old management structures and philosophy, as some factory directors are doing by founding artificial quasi-companies." Does that mean that the government has decided to reverse its previous economic decisions?

Urban: Your question is not very clear. As we know, companies are a form of economic organization that is under development and which possess a future. The government has taken steps to see to it that no senior state officials earn income by belonging to the management of a company. However, if an enterprise changes into a company, and that company makes the director of the enterprise head of the company, there is nothing odd

about that. Deputy Premier Patorski was talking about fictitious cases. This is just a change in the form of ownership. The same person or persons continue to administer the enterprise. However, I do not know about this case, and I cannot comment on it.

Krzysztof Bobinski, THE FINANCIAL TIMES: Three matters, Mr Minister. First, could you give us some details about the wave of strikes in the three coal mines? Is there no work going on at any of the seams? Second, are the work forces below ground or above ground? What is the situation? Third, could you tell us something about the new foreign currency law that comes into force tomorrow?

Urban: I will begin with your last question, I have nothing new to say about the new currency law. It has been made public. At any rate, those who are interested are familiar with it. Now, concerning the question about whether there is any work going at any of the seams, I do not have any information as detailed as that. I know and have information telling me that the mines are on strike, and this allows one to conclude that there is no work going on either at most or all of the mines. I also do not know whether the work forces are below ground or above ground, but as the shafts and lift cages have been closed off, then I think it more likely that they are above ground.

As for the strike situation—from 4 through 12 March, 52 strikes or work stoppages, generally short ones in small enterprise, were recorded. They involved about 10,000 people altogether. However, the week before, from 25 February through 3 March, there were 83 strikes and stoppages involving 21,600 people. An analysis report on the last few days of last week, excluding today and yesterday, days for which there are no such reports, indicate that the number of stoppages and strikes has been decreasing day by day. On 7 March, there were 15 stoppages and strikes. On 8 March, there were 5. On 9 March, there were 9 and they involved 900 people. In any case, there were strikes lasting a longer period of time in three large plants in addition to the three coal mines that I mentioned today. The strikes at the drilling and mining machinery factory in Gorlice, the municipal transportation enterprise in Plock, involving 350 people, and the "Marchlewski" Factory in Lodz. They are already over, but they were big strikes. The one in Plock, however, is not over yet. The strike at the "Marchlewski" factory involved 1,250 people out of a total of 4,250 employees.

Henryk Sroczynski, GLOS ROBOTNICZY: Mr Minister, it is being increasingly said that CEMA integration is only a fiction. In light of this, I would like to ask whether the Polish Government is still convinced that its initiatives aimed at improving the condition of the organization have a chance of success and whether the government will ultimately seek EEC membership for Poland, some form of associate membership, for example?

Urban: We all feel and are becoming convinced that the current system for CEMA cooperation and the means employed by this cooperation no longer adequately promote the development of individual CEMA countries, but is an exaggeration to say that cooperation within the organization is a fiction. This is denied by the facts. For example, joint efforts have resulted in the construction of a network of oil and gas pipelines within the CEMA countries, and there are many plants that supply us with essential iron ores, asbestos, and cellulose. Electric power will be supplied, industrial cooperation and specialization has been developed, although inadequately, the coordination of plans is of great importance, there is a common market in goods cars, an energy system has been set up with headquarters in Prague. So, it cannot be said that it does not work at all, but we are not satisfied, and we are not the only country, with CEMA activity, and we are proposing improvements. Many of these initiatives are being realized. General Jaruzelski proposed the setting up of an enterprise bank, and this will be realized when the level of turnover generated by direct cooperation between enterprise will make it profitable to set up a bank of this kind or a whole chain of them. However, work on these matters is proceeding too slowly, and this particularly applies to the matters that General Jaruzelski raised in connection with a reorganization of the entire currency and financial system as a key to change and a central element of it. However, there are signs that this work is being speeded up now. In most CEMA countries, a process of moving the economy in a market-oriented direction has been initiated. The ultimate goal is an integrated CEMA market in which services, capital, and people move freely. Poland does not intend to join the EEC. We are focusing our entire energy on creating our socialist market and on taking appropriate common action aimed at adapting to the situation that will arise in the not so distant future when the EEC states will form one market. We want to cooperate with this integrated market as closely as possible and with economic organizations in an integrated Western Europe as a whole. A special government team is working on ideas so that the integrated Western European economy does not catch us by surprise.

Zbigniew Zemler, OPZZ Information Team: Mr Minister, I would like you to answer—as far as is possible—two questions. Yesterday, the OPZZ Executive Committee passed two statements, one of which is known, because it has appeared in the press, and one that is short and concerns the postal workers strike. It is short, but important, because first, Alfred Miodowicz met postal workers in the morning, later the views of representatives of these unions were listened to, and the executive committee really did appeal to postal workers not to make life difficult, either now or in the future, for people, especially old people, collecting pensions and benefits, and in cases in which telegrams have to be dispatched. However, the cause of the current conflict was examined and deemed to be the failure, over a great many years, to solve employees' fundamental problems and a defective wage system. This was addressed to the State Enterprise

of Posts, Telegraphs, and Telephones. A second cause was identified as being a sluggish response to letters from the federation indicating dissatisfaction among work forces. Mr Minister—this is my question—would you agree that bureaucracy and a disregard of the interests of working people are a frequent cause of strikes. Can I put my second question to you?

Urban: No, I will try to reply to this first question. Yes, I really would agree. The government is doing everything possible to make enterprise managements respond energetically to employees' problems and justified requests and not to wait until a conflict situation erupts. It turns out that when a conflict does arise, it suddenly becomes possible to deal with such matters, because the management somehow manages to respond to the same demands far more quickly and vigorously. The managers of some enterprise appear to be deaf to work force demands, but then their hearing suddenly improves when there is a threat of a strike or an actual strike takes place. This encourages work forces to employ this means of persuasion, which is costly in social terms. We are grateful to the OPZZ for its efforts to bring about an end to the postal workers strike, which causes great inconvenience, hampers the functioning of a modern state, and causes serious problems for many people. For the time being, the result is that with the signing of the agreement on wages—it is linked to a permanent change in the post office profit index—some of the opportunities for earning higher wages have increased. The protest actions in Krakow and at most of the post offices in Warsaw have come to an end. However, strike action has now been taken in Wroclaw, Szczecin, Stargard-Szczecin, Gdansk-Wrzeszcz, Gdansk-Oliwa, and Lodz. So, the situation is not the same all over the country.

Zbginiw Zemler: This question contains something of a complaint. On 23 February the OPZZ council sent a polite, open letter to the government asking it to deal with a certain matter, something that was requested by pensioners. The issue concerns 7 million people, many of whom live on the poverty line. The letter raised the matter of negotiations. We asked for negotiations to be started by 15 March, the date suggested, that is, by tomorrow, on a new pension law, based on the union's concept, that would be introduced on 1 January 1990. The complaint is that we have not even received a reply yet, and I would like to say that we have not publicized this extensively, because according to our ideas, proper political behavior does not mean always giving publicity to everything, but on this occasion, I have to ask this question, because I have been specifically asked to so by our activists who deal with labor veteran affairs.

Urban: Thank you for publicly drawing attention to that. There is nothing I can say. There are many government departments, and they receive many letters. I am unable to answer such specific questions, nor investigate the handling of letters, not even letters that are important to many people. All I can say is that despite the pension adjustments that have already become a regular process, the material situation of pensioners has once again deteriorated in recent times. However, the press is exaggerating the material situation of a small group of pensioners with the lowest pensions, which I think is 1.7 percent of all pensioners, or about 170,000 people. I do not remember how many people receive a pension of Z20,000 a month. Some of them really are in a difficult material situation, while others are not. It all depends on the size of one's family. However, I come across press articles that quote the minimum pension and use it to paint a general picture of the situation of all pensioners. Because this issue has already been made public, I will investigate why the Labor Ministry has failed to respond to this letter.

Andrew Tarnowski, REUTER: On Saturday, General Jaruzelski said that right now, Poland is heading toward socialist parliamentary democracy. Could you explain exactly what socialist parliamentary democracy means? Are there any differences between that and Western parliamentary democracy?

Urban: It is difficult for me to answer questions that relate to the future. In any case, the difference is that socialist parliamentary democracy functions under socialism, whereas Western parliamentary democracy functions under capitalism.

Krzysztof Leski, Lech Walesa's Organization Bureau: During the past few days, members of the ruling coalition have been repeating that the "roundtable" does not have the power to issue final decisions. Any decisions it makes have to be approved by the Sejm. What would happen if, for example, the Sejm altered the package of election proposals in a way that is unacceptable to the opposition?

Urban: It is quite natural to emphasize the fact that the "roundtable" has no such power. The "roundtable" is a political body, not a legislative one. Nevertheless, practically every single organized parliamentary force is present in it, and not only is there a process of accord taking place between the government-party side and opposition-Solidarity side, but there is also a simultaneous process of disputes. Therefore, one can assume that it is not a bilateral "roundtable" accord that will be confirmed by a Sejm majority vote, but a multilateral "roundtable" accord, because, just like every other parliament in the world, our Sejm is derived from the political forces that form it. Therefore, it does not seem to make sense to ask what would happen if the Sejm rejected the accord. Legally, it would mean that the Sejm of the Polish People's Republic has rejected an accord reached at the "roundtable" between the political forces that make up the Sejm's composition and the opposition. That would mean that the "roundtable" has failed. I do not suppose the Polish Sejm would want to cause eternal hatred of it. Most deputies are supporting the process of accord in various ways. Therefore, the entire problem is a theoretical one. Nevertheless, government representatives are underlining a certain order of things to which one should pay attention,

because, apart from general issues, the "roundtable" involves many detailed issues, the justification of which has to be brought home to those deputies who belong to the "roundtable" subteams or the plenary body. Thus, the Sejm is a product of the political forces that form it. However, it is not a voting machine.

Stefan Dietrich, FRANKFURTER ALLGEMEINE ZEITUNG: Last year, the Messner government decided not to go ahead with expanding the "Stefanow" coal mine. Even so, this year's budget contains funds earmarked for this mine. How much longer can the state budget be burdened with a coal mine? Has the present government annulled the previous government's resolution on this matter?

Urban: I cannot answer such a specific question. If there are any questions about the development of any coal mine, enterprise, or any other institution, I would ask the enquirer to ask the relevant government department, or, better still, the director of the economic entity concerned.

Andrzej Bober, Lech Walesa's Organization Bureau: The "roundtable" is indeed coming to an end, as you have correctly noticed, but the first 6 months of the Mieczyslaw Rakowski government are also coming to an end. Do you think the condition of the Polish economy has improved during this period, or deteriorated?

Urban: I think the condition of the economy has definitely improved. In any case, the economy's development prospects have improved. The Rakowski government has introduced important legislation that is altering the entire economic order, and the basic package of radical reforms will shortly be completed when the final legislation is introduced, which includes the Communal Property Act, an act with immense political and social implications. Apart from that, the Rakowski government has taken several dozen major and minor steps meant to eliminate the absurdities inherent in the economy, the kind of absurdities that can be removed by means of legislation relatively easily. Furthermore, in its moves, the Rakowski government has also begun to pursue a policy that corresponds to the reforms and is far-reaching enough to win society's approval. Right now, the government is making two very important economic moves. The first of these is designed to improve the food economy. It involves a pro-market orientation of food procurement and sales. We still do not know how this will be achieved, that is a controversial issue. In any case, it will involve taking subsidies away from food producers and putting them into the pockets of consumers. The second major operation facing the Rakowski government is a radical restructuring of industry, about which there is much talk but little action right now. It involves the controversial closure of a certain number of coal mines and a transfer of their employees to other mines. It involves a 5-day week for miners, but the mines themselves will be operational 6 days a week. I am giving just a few examples, because there are so many of them. Nevertheless, it is true that the initial drive, which caused so much optimism, has been slowed down by inflation and by the growth of economic protests and strikes, which are used to negotiate wage issues in plants. This is a serious threat to the economic reform and to the market. It is obvious that when there is industrial unrest and when even small enterprises are on strike, the flow of supplies is cut off. But I think this wave of strikes is having a deeper and more significant negative impact on the reforms, because it is teaching workers how to squeeze greater wages from enterprises by means of demands, instead of by greater work input. It would be catastrophic if this fashion were to continue, because it would undermine the very mechanism of the reform. After all, even the best economic pattern is worthless if it does not correspond to human psychology.

Fernando Valensvian, EFE, Spain: Does the failure to reach agreement on economic matters—the so-called social contract will not be signed, because of the question of indexation, for example—mean that it will not be possible to sign agreements on political and trade union matters?

Urban: You would have to ask both sides.

We are ready to conclude an agreement based on the package that has already more or less been negotiated at the "table." Some of the statements made by leading opposition figures indicate that they also consider the package as providing sufficient grounds for concluding a basic agreement. It is indeed true, contrary to initial predictions, that the greatest difficulties are connected with the deliberations of the team for social and economic affairs. It is surprising, because the team brings together people representing different tendencies who nevertheless agree about the basic direction of reform, that is, market mechanisms and greater enterprise, a reform based on the basic measures that have been implemented such as the freedom to launch economic activity, and all the people in the team are in agreement about these directions. However, it has turned out that discussion on various concrete moves in economic policy has made the attainment of more extensive agreement in this team particularly difficult. In general, it is perhaps difficult to reach agreement in discussion about various moves and any kind of moves whatsoever in economic policy, as every move has certain positive and negative features. As for indexation, what is being discussed is its concrete form. The differences of opinion that exist on this subject pertain to the form that it should take, what it should be like in order to produce the greatest economic and social benefits and to have as few flaws as possible, because every solution has it virtues and defects. I would like to stress that indexation is actually already being practiced in Poland on quite an extensive scale, it is just that we have not been calling it indexation. About 10 million employees and pensioners obtain their income according to an indexation system. This applies to the entire state budget sphere, to pensioners and people receiving benefits, to artists and to soldiers. Further, there is a kind of indexation in the 40 percent of wages increases that is exempt from tax, and

so there is quite significant agreement about it being possible to implement this more consistently and call it indexation, but this is nothing new and it will not save the Polish economy.

Debbie Stewart, AP: Today, PAP reported that the head of the Polish film-makers association said that four feature films and 31 documentary films cannot be distributed. Could you tell us what films they are, why they are being withheld from distribution, and whether there is any prospect of this matter being reviewed?

Urban: No, but the press reports on this extensively, although I have not read anything myself. I do not feel obliged to report on the content of newspapers in this hall, I have other duties here.

Szablo Ajosz Matis, MAGYAR NEMZET: What are your views or those of your government on the changes that are taking place in Hungary?

Urban: We are viewing them with great interest and sympathy. The similarities between the solutions that we are seeking and applying are very significant. Similar institutions are being established in both countries, and we are thinking along similar lines with respect to future political and economic models, and there are, of course, differences: The political and economic situations in our two countries are different. I would say that Hungary's economic problems are on a higher level than those of Poland and that Poland's political differences have a broader social base than those in Hungary. On the other hand, I think that we in Poland are closer to finding practical solutions to our basic political differences. Without going into any kind of detailed analysis, I would say that our two countries are very close to one another at this moment in time for these very reasons. I am not thinking of old slogans that are not always very sensible or of sentimental matters that I personally find it hard to believe in, but of the great significance that the more intensive exchange of experience and the mutual analysis of economic and political processes in both our countries would have, because we often discover things that we could discover together.

Yusuf Mah'd [name as published], WAFA: Mr Minister, Premier Rakowski will shortly leave for Iraq and Kuwait. Could you provide us with some details about the purpose of the visits?

Urban: Various matters will be discussed, questions concerning the Middle East in relation to European affairs, which are, of course, of particular interest to Poland, and questions pertaining to bilateral relations, including economic matters, which will, of course, occupy a key place in the talks.

Piotr Semka, Lech Walesa's Press Bureau: In light of what you said about the period of political change that we are now entering, I would like to know what the government's position is on the calls for a reduction in the number of managerial posts that are covered by the nomenklatura system, particularly in the case of factories.

Urban: We set out our position on the nomenklatura at the "roundtable," and it has in a sense already lost its relevance in practice. The government-party side expressed the view that it should have an influence in appointing heads of a very limited number of plants of particular importance. The importance of these plants stems from various factors, such as the fact that a plant produces weapons, or that a plant has a decisive bearing on, for example, communications, transportation, or to very great extent on the production of other plants. However, I think that the problem of the nomenklatura, in the way in which the opposition has raised it, is something that belongs to the past. It was a real problem, and we have admitted that it was not necessarily the most gifted who advanced, whereas those who were the most obedient did, and we are ready to break with this procedure in practice, just as we have broken with it in theory, but there are a lot of myths surrounding the problem of the nomenklatura, and this will be my original contribution to the debate. Every country has a managerial cadre. A managerial cadre does not appear overnight, but develops over decades, and every country has a managerial cadre that develops in this or in some other way. In one country, they are graduates of certain exclusive colleges who have ties to one another, and in another country, they are imported. I am thinking of third world countries. In our country, they have undoubtedly been in part formed by the nomenklatura. It is not a bad cadre, but largely a good one, because political considerations were not the decisive factor in most appointments. So, putting this in perspective, I would like to say that as the nomenklatura mechanism is systematically eradicated, people who stem from the nomenklatura will not necessarily be members of the nomenklatura. I do not know whether what I said was readily understood, but I cannot put this more simply while being diplomatic at the same time.

Renate Marsch, DPA: In your opening statement you said that the senate would have 98 members. Does this mean that the government is sticking to the principle that there should be two senators for every voivodship and rejects the opposition proposal made at the "roundtable" that more senators should represent voivodships that have a larger population? That is to say, there should be one additional senator for every million inhabitants?

Urban: The government as an institution does not interfere in such matters, because it does not have the authority to determine the character of the institutions that decide about the government. As for concrete matters, this is still the subject of talks and consultations, but we simply set out this concept in order to strengthen voivodship representation throughout Poland.

Konstanty Gebert, Lech Walesa's Organization Bureau: Mr Minister, at yesterday's United Peasant Party press conference, Mr Sliwinski, a member of the party's governing bodies, confirmed that the distribution of seats in the Sejm would be as follows: 60 percent for the coalition, 5 percent for Roman Catholics connected with the coalition, and 35 percent for the opposition. Has the central commission for cooperation already decided how to divide up this 60 percent?

Urban: Perhaps it has, but I do not know what the outcome was.

Janusz Grocholski, ZOLNIERZ WOLNOSCI: In their public statements on the subject of the "roundtable," members of the opposition are very fond of stressing the differences that are appearing during the talks. However, members of the government-coalition side are saying that these differences can be removed. Professor Baka also said on television yesterday that a political impulse is all that is required. What political impulse could have been meant, and how can such an impulse facilitate the talks?

Urban: Political impulses are essential in every issue. As far as an accord is concerned, political impulses are an encouragement not to adhere to one's differences in the hundreds of different topics that are being discussed. If there are hundreds of different issues, some of which are insoluble, it is extremely difficult to ever reach an accord on them, let alone during a short period of time. In other words, I consider a political impulse to mean an encouragement to think in political terms, and also to look beyond the narrow horizon of the subject matter dealt with by various "roundtable" teams and subteams. However, I do not know what Professor Baka meant, because I did not hear him say it. However, I am sure ZOLNIERZ WOLNOSCI has his telephone number.

Stefan Dietrich, FRANKFURTER ALLGEMEINE ZEITUNG: Why does the government-coalition side not agree to include in the election rules the provision that these election rules will only be applied once? After all, we have been told so many times that these election rules are provisional. Why does the government-coalition side not agree to include in these rules the distribution of seats? Finally, why does the government-coalition side not agree to the presence of members of the opposition during the counting of votes?

Urban: What you are saying is based on rumors. All these matters are presently being discussed in various ways. Nothing is a foregone conclusion. The State Council held a meeting, and now consultations are being held with the "roundtable" side. There have already been consultations with the allied parties. Let us not discuss the details right now. Even after the proposals have reached the Sejm, it will be necessary to introduce the basic shape of the document into the agenda of Sejm committees. Consultations on these election rules will carry on. Everything is subject to change. Nothing is decided until the deputies raise their hands or press their buttons to vote. Until then, everything is subject to negotiation. However, two of your questions contradict each other. If the government side does not want to say in the election rules that these rules are only temporary, and it also believes that the accord we are reaching is only valid today, then the logical conclusion is that today's accord should not be included in election rules for the future. To this, let me add that many countries have pre-election political agreements. For example, in France there was an agreement between the socialists and the communists about methods of voting. Such agreements are usually set apart from election rules. They are political, not legal. In any case, the situation varies.

Stefan Dietrich: I based what I said on what the opposition is saying. The opposition claims that everything I mentioned was agreed upon orally, but was not included in the proposal that has been submitted to the Sejm. Do you mean to say that what I have said is not true?

Urban: No, I mean to say nothing. That was a typical reply from a press spokesman who wishes to say nothing because of the great difference between the government representative you see before you and the various people who spread rumors about the "roundtable."

Marcin Gogulski, Lech Walesa's Organization Bureau: It is certain that after "Solidarity" has been entered in the register of legal trade unions, the government will have to bear extraordinary expenses, expenses that could not have been imagined last year, in connection with "Solidarity's" claims to have returned to it the assets it lost during the night of 12-13 December 1981. Does the government have sufficient financial resources? Let me explain that I am less concerned about those assets that are now in the hands of the trade unions that emerged after October 1982, and more about those that were destroyed or confiscated during those December days.

Urban: Look, "Solidarity" will emerge afresh, with all the legal consequences thereof. However, how it will emerge and what kind of material start it should have is a subject of talks by the "roundtable" trade union team. It seems unjustified to distinguish between "Solidarity" assets and those of today's OPZZ, because 60 percent of today's OPZZ, some say even more, used to belong to "Solidarity" and are now enjoying the assets of the "Solidarity" of that time.

Piotr Semka, Lech Walesa's Press Bureau: I would warn against treating this issue as a mere question of money. The banners of individual "Solidarity" organizations were confiscated, and these are things to which people are tied not so much financially as emotionally.

Urban: I appreciate that, but I do not think these are thorny or sensitive issues. They are being resolved by the "roundtable" trade union in as harmonious and calm a way as possible.

Andrew Tarnowski, REUTER: It has been said that 500 currency exchange points would be opened before the new Foreign Currency Act comes into force, which is tomorrow. Have they already been established? Where could I go if I wanted to, let us say, exchange foreign currency?

Urban: I would ask you to be serious when asking me questions. I am not the one who is setting up exchange points. I am not exchanging any foreign currency. Please do not treat me as a source of information on services. Have you never been to any other government press conferences? Any other government spokesman would probably fall over in amazement if you asked him for the addresses of currency exchange offices.

Pawel Dybicz, SZTANDAR MLODYCH: Is there any news about Katyn?

Urban: No, I have nothing to say about that.

Waleria Mikolajczyk, TYGODNIK ROBOTNICZY: When talking about the meeting of the council of management of the Association of Workers Self-Management Aktivs, you said that what you said about this meeting during last week's press conference was not true. However, you did say that politically offensive things were said at this meeting. What kind of things do you mean?

Urban: I think my answer was exhaustive enough, and this time I have thought carefully before answering.

Marcin Gogulski, Lech Walesa's Organization Bureau: In their 9 March communique, the Polish bishops said they were convinced that the law on state-church relations would be passed, and I quote, "in the version worked out by the editorial team of the Joint Government-Episcopate Commission." Is that also the government's intention, and when does the government intend to place this law before the Sejm?

Urban: It is always the government's intention to submit laws in the version that has been agreed on, otherwise consultations would be superfluous. As far as I know, some of the rules for implementing this law are still being discussed, as well as some other provisional rules. I do not know the current situation, but nevertheless the whole topic is in its final stages. However, one can expect the work to be completed sometime during the month.

Andrew Tarnowski, REUTER: I beg your pardon, Mr Minister, but I do not think I formulated my previous question correctly. The new Foreign Currency Act is coming into effect tomorrow, and judging from what has been said, the government is supposed to open up currency exchange offices, which will enable private citizens to conduct foreign currency transactions. Therefore, my question is: Have such exchange offices been opened?

Urban: Look, what it means is that freedom of economic activity based on an exchange of foreign currency is emerging. This may consist of state exchange offices and private firms indulging in this business. However, I do not know whether these offices are already being set up. The press says that they are. All I can say is that as of today, state, cooperative, and private currency exchange offices may appear. The act permits all these. However, I know nothing about plans by private entrepreneurs or state or cooperative bodies to set up these exchange offices. I only have information from the press that such offices are being set up in one hotel or another.

Communique Issued on 15 Mar Politburo Session

AU2003142489 Warsaw TRYBUNA LUDU in Polish 16 Mar 89 p 1

[PAP headline: "PZPR Central Committee Politburo Session Communique"]

[Text] The Polish United Workers Party [PZPR] Central Committee Politburo met on 14 March to assess the sociopolitical situation in the country, with particular attention being accorded to events in the largest academic centers.

The Politburo discussed the state of the "roundtable" talks and weighed up prospects for their rapid completion. It also adopted a stance on the proposed changes to the electoral code and the Constitution of the Polish People's Republic [PPR].

The Politburo examined and adopted a plan for ceremonies to mark the 50th anniversary of the Nazi invasion of Poland and the outbreak of World War II.

The Politburo decided to call on state organs and all organizations and associations to mark this important and tragic anniversary for the history of our people in a suitably dignified and solemn manner and to accord all the undertakings related to this that are being prepared at home and abroad a high level of patriotism and an appropriate form.

On 1 September 1939 Poland, to be shortly followed by the whole world, faced a threat to the highest values—freedom and dignity. A war flared up that not only posed a threat to the existence of states, but also brought with it the danger that entire peoples, ethnic groups, and large social groups would be destroyed. The fate of Poland—the first victim of armed attack by the Third Reich and the criminal ideology of fascism—served as an ominous warning for many states and statesmen that the threat represented by the Nazi policy of German domination of the continent of Europe and the world was not to be ignored.

Poland's isolation in the struggle against the Nazi invader was the consequence of the erroneous political and military doctrine that was being pursued by the

leading circles in Poland at that time. They failed to interpret the changes that were taking place in the international situation correctly.

We suffered great losses. We remember them, because a people that forgets the bad experiences of the past is doomed to undergo painful experiences once again. However, it is not our intention to reflect on the past without considering the changes and developments that have taken place in Poland itself, around Poland, and throughout the world.

Against the background of the present situation with the changes that are taking place in it, the memorable slogan "No more Septembers, no more wars" means drawing rational conclusions from Poles' experiences over the last 50 years and communicating them to generations that will one day determine the future of the people. Being conscious of dangers and knowing how to avoid them is as important today as it was in the past.

History has confirmed that national honor and national unity in the face of danger are the highest values and that they make it possible to overcome all adversities, to choose faithful friends and form reliable alliances.

Under modern day conditions, Poland cannot achieve peace and security by itself. Our security resides in the security of others.

Present-day ideas about a world without wars, a system of security based on the concept of a "common European home," and new ways of thinking about conflicts and their resolution provide a basis for looking toward the future with hope.

Thanks to its alliances, particularly its alliance with the Soviet Union, and to its own defense policy, Poland—whose neighbors are friendly peoples who have experienced the horrors of war and states that wish to strengthen cooperation and security—has borders whose permanence and inviolability are assured.

This is the angle from which we view prospects for constructive changes in relations with the FRG in accordance with the letter and spirit of the 1970 treaty, for qualitatively new forms of progress in cooperation and collaboration with other European states, and for contributing—as much as we can—to world security.

Past experience, the establishment of an anti-Nazi coalition despite all the differences that existed with respect to systems, shows that it is also possible today to satisfy the essential conditions for forming a broad coalition whose purpose is peace and cooperation in Europe.

In inspiring the dignified observance of the 50th anniversary of the outbreak of World War II, the party supports various initiatives connected with this. During this year's observances, the PZPR, along with the entire nation, wishes to pay the highest tribute to all Poles at home and abroad who fought courageously, selflessly, and honorably in Poland and on all fronts, including those who waited for years to receive recognition for their labors and for the blood that they shed for the fatherland.

The Politburo wishes the September anniversary to become an occasion—especially for young people—for getting to know the past in a way that is free from emotional bias and evaluations determined by short-term considerations.

Only this kind of knowledge provides a rational basis for assessments of past events and the people who participated in them. This kind of understanding of the past is essential for the strengthening of accord and the far-reaching economic and political reforms that are a contemporary manifestation of unity among Poles and their ability to meet the challenges of today's world.

The Politburo familiarized itself with work and draft legislation regulating denominational matters in our country. The draft legislation concerns the attitude of the state with respect to the Roman Catholic Church, social security for members of the clergy, and an agreement between the PPR Government and the Polish episcopate on papal colleges and the recognition of academic titles. They were prepared during the course of working negotiations between representatives of the government and the episcopate. Another team comprising delegates representing the government and the Polish Ecumenical Council has produced a draft law guaranteeing freedom of conscience and religion. These documents are the tangible product of a dialogue that has been going on for some time now. They will provide a solid foundation for establishing a legal framework that accords with social expectations in the denominational sphere.

These measures will serve to consolidate cooperation and accelerate the full normalization of the state's relations with the Roman Catholic Church as well as with other churches and religious denominations.

The Politburo was also briefed on a recent meeting between the executive of the Warsaw party committee and first secretaries of primary party organizations in Warsaw plants that was attended by W. Jaruzelski, first secretary of the PZPR Central Committee. The Politburo discussed the suggestions that were made—including suggestions pertaining to the work of party organizations in central state administrative organs—during a debate that lasted several hours.

Government Sociopolitical Committee Meets

LD1803062789 Warsaw PAP in English
2154 GMT 17 Mar 89

[Text] Warsaw, March 17—Today's meeting of the government socio-political committee adopted a draft of a legal act finally breaking with the centralist management

of Poland's socio-political life, a law amending powers to issue executive acts. The debates were chaired by Minister Aleksander Kwasniewski.

The draft law amending powers to issue executive acts envisages the entrusting of ministers with about 220 questions lying in the area of their interests. At the same time, the committee decided that the council of Ministers should continue to decide on the shape of executive acts in such areas as: Defences and public security, foreign affairs, denominational policy, the location of basic investment projects, the fixing of protective zones and in other areas important for the state interests.

The Socio-Political Committee studied also the course of work in individual working groups of the "roundtable."

The prime minister entrusted Jerzy Kozminski, 35, with the function of secretary of the socio-political committee. Kozminski graduated from the department of Foreign Trade of the Main college of Planning and Statistics, activist of student organizations performing the function of vice-president of the International Union of Students since 1983. [sentence as received]

Legal Expert Queried on Constitutional Reform

PM1703154689 Wroclaw SLOWO POLSKIE in Polish 25-26 Feb 89 p 3

[Interview with Prof Janusz Trzcinski, dean of Wroclaw University Law and Administration Faculty, member of Chairman of the Council of Ministers' Legislative Council and of the roundtable working group on legislation and law courts reform, by Maria Dorywala; date, place not given]

[Text] [Dorywala] In recent years we have changed one parliamentary act after another as easily as hats. There have been cases when the course of events forced amendments to a law which had not yet had time to be fully implemented. Work is in progress now on a new constitution. Is there not a very real danger that its character could still be influenced more strongly by the adherents to the old order than by the reformers, who are all preoccupied with the introduction of pluralism?

[Trzcinski] There is no such danger. A constitution should reflect the reality of the state as it actually is and also, of course, program the overall future goals and functions of the state. If it fails to do this, if it distorts the actual reality or regulates it to a greater or lesser extent, it then becomes a fictitious constitution. I think that when a new constitution is being formulated it is important that the main political forces submit their own constitutional blueprints for consideration. It is true that our old Constitution still has a circle of defenders who claim that if it has lasted 37 years it has to be good. In my opinion this is the very argument against the Constitution that has been in force since 1952. After all, if it had been good in the Stalinist era, continued to be good through the subsequent periods of errors and distortions, and has been with us since, it proves precisely that it is not good. Neither should we agonize over the fact that we are venturing to change the Constitution just when things are so unstable and when political and economic reforms are being introduced in the country. Let me tell you that good constitutions have most often been created in times of instability, usually either during or immediately after revolutions. This is why there is no point in waiting until things settle down, as some suggest we should...

[Dorywala] Which elements of our reality and which facts—written into the present Constitution—are already obsolete?

[Trzcinski] Neither the substance nor the form of our constitution is compatible anymore with the Polish people's present aspirations. Furthermore, they are no longer compatible with current theory regarding constitutional law or the state. To put it briefly, the main part of the present Constitution contains definite political, ideological, and propaganda messages and declarations. The remaining part deals largely with state organization, according to a definition of the state as a system of bodies endowed with a power apparatus and instruments of coercion. But if we assume that by definition a state constitutes the political organization of society, we fail to find in our Constitution enough substance concerning directly social and political relations crucial to the correct functioning of Polish society. To give you an example, I am thinking here of definitions of various ways in which citizens can organize themselves. It is worth stressing here that the new constitution should clearly acknowledge the real differences in our society—not just ideological but also political, economic, and social.

[Dorywala] Would you please tell us what the guiding principles of a new constitutional blueprint should be? What main assumptions and elements should be considered in creating a new act of such supreme importance?

[Trzcinski] The first and foremost assumption should be that we shall abandon the notion of a constitution as a political and propaganda document. Our chief point of departure must be that a constitution is the most powerful basic law within the state's system of legislative resources. But we should not assume that it is a predominantly political document. This, because its chances of fulfilling all its other functions—for example ideological, political, or educational—will directly depend on how far it meets the rigorous requirements of a legal act. The idea is that constitutional provisions should operate directly as the binding norms in our daily practice, and that individual provisions concerning citizens' rights and freedoms should be formulated in a way which will permit their direct implementation without the need to refer to ordinary legislation. Finally, the formulation of constitutional provisions should make it possible to draw up standard norms of behavior for citizens and standard procedures for state bodies. Of course it should be possible to move a number of general constitutional

provisions, such as the striving for universal prosperity and success, to the document's introductory section. But I must strongly emphasize the need to write the constitution in the same language as that of parliamentary acts. I am thinking here of the application of the principles of lawmaking.

The inclusion of a constitutional provision affirming that the constitution is a directly binding legal act would be an important factor in enhancing its statutory function. These requirements are essential if the new constitution is to really fulfill its function of regulating relations between state bodies and between citizens and state bodies, and also social relations between citizens themselves. Equally important is the question of guaranteeing the constitutional character of the legislation. The hiatus which exists here is filled by the activity of the Constitutional Tribunal, whose competence could be extended, for example, to testing the consistency of our laws with international laws ratified by Poland or testing the sources of local laws. The Constitutional Tribunal could also examine the constitutionality of administrative decisions and even—though this may sound like a heresy—appraise the constitutionality of the decisions and guidelines of the Supreme Court.

Finally, the last question, concerning the change of the Constitution. The Constitution must, as the supreme legal act, receive particular protection against various rash amendments and updatings. This is why we should make the procedure suitably complex, call it constitutional instead of legislative, and also introduce additional legal entities and legislative initiatives. While we are discussing this subject, I might also mention that legislative initiative should be extended beyond the competence of the government, the Council of State, and Sejm deputies. Nor should we omit to discuss one other important question. The new constitution should express unequivocally the idea of a closed system of legislative sources and define clearly the range of legislative competence accorded to state bodies, thereby restricting excessive legislative initiatives on the part of various administrative organs. In this way, by regulating the question of state bodies' competence to create legal acts, the constitution will become the cornerstone of the state's legislative order.

[Dorywala] To conclude, what new and necessary watchword would you devise to express the spirit of the new constitution?

[Trzcinski] I believe it would be sufficient to insist that the new constitution must meet the aspirations of contemporary Polish society—and this means that the individual is as important as the state and its institutions, and that the welfare and statutory status of the individual citizen must not be inferior to that of the state.

[Dorywala] Thank you for talking to me.

Koszalin Economic Zone Proposal Examined

LD2103051889 Warsaw PAP in English 0006 GMT 21 Mar 89

[Text] Koszalin, March 20—A meeting of the Economic Committee of Poland's Council of Ministers (KERM) was held here today to consider a concept of setting up a Koszalin economic zone. The initiative was brought on by the voivodship authorities who consider it a good means for providing the region with the optimum prospects for development.

According to the concept, the voivodship should base its economic existence on two spheres, namely, on tourism, especially the foreign one and on food industry profiled in such a way as to create here a basin of healthy food.

The KERM members were given an extensive document listing arguments for the concept, which were also substantiated during the meeting.

As a result of the debates a protocol of settlements was signed which considers accelerated development of the Koszalin Voivodship as an undertaking creating premises for solving local economic problems using, first of all, the regions own resources, conditions created by the reform in the sphere of capital transfer and potential possibilities of development.

The sides agreed that it is motivated to set up special economic zones in the voivodship by way of economic experiment but of a more restricted scope. The voivodship national council in Koszalin is to move such a motion to the government.

At the following press conference Poland's Vice-Premier Ireneusz Sekula stated that the KERM considers the concept of Koszalin economic zone as an enterprise aiming, in a right way, at solving local problems, first of all, basing on the region's own resources. The initiative of creating special conditions for improving efficiency of tourist economy and of agricultural productivity is convergent with the basic principles of reforming economy.

Polish-EEC Economic Cooperation Examined

AU2003152789 Warsaw ZYCIE WARSZAWY in Polish 14 Mar 89 p 5

[Article by Eugeniusz Wajszczuk: "A Decisive Phase of Talks"]

[Excerpts] The warmer currents of international politics are also causing a thaw in economics. A CEMA-EEC declaration on establishing official relations was concluded in Luxembourg on 25 June 1988. This was the first momentous step, also from the point of view of Polish interests. The second such step is the talks between Poland and the EEC in Brussels on 21 and 22 March, the next step toward normalizing our relations with the EEC. [passage omitted]

Although our negotiators will appear in Brussels with a good hand of cards, there is more than one influential industrial lobby that sees any cooperation at all, let alone cooperation with the east, as a threat to its interests because of competition. Nevertheless, the chances of a development of Polish cooperation with the EEC can be viewed with cautious optimism. Andrzej Olechowski, director of Department 2 of the Ministry of Foreign Economic Cooperation, told ZYCIE WARSZAWY that we want to conclude a favorable economic agreement with the EEC, perhaps as early as next year.

Poland's proposals in this agreement are already known. They cover trade in industrial and agricultural goods, an abolition of trade barriers according to a fixed timetable, direct cooperation between production plants, the formation of joint ventures, exchanges of experts, and so on.

Perhaps the extent to which and the time by which these proposals may assume the shape of concrete decisions and commitments will be decided in Brussels. However, regardless of the progress achieved in these talks, Poland must already take suitable steps to prepare for expanded cooperation with the countries of Western Europe, which are to be united in a common market as of 1992.

We are already taking such steps. Without going into details, one can say that the premier has appointed a team to work out a program of "adapting to a united EEC market." We already have lower-ranking programs of adapting our production to EEC norms. These programs are supervised by the Polish Standardization, Measures, and Quality Committee; Main Statistical Office; Ministry of Agriculture, Forestry, and Food Industry; and the Main Customs Office.

The outcome of this work will be conveyed to all production plants.

UNCTAD Still Adopts Protectionist Measures

LD1403234889 Warsaw PAP in English
1925 GMT 14 Mar 89

[Text] Geneva, March 14—At the debates of the 35th session of the United Nations Conference on Trade and Development (UNCTAD) a Polish delegate, Marek Kulczycki, said that the process of creating the legal and institutional groundwork for a new system of Poland's foreign economic cooperation caused that the attractiveness of Poland as a partner in international capital and investment cooperation had considerably increased.

The systemic changes have already had an impact on the 1988 Polish foreign trade outcome which was much better than expected. On the other hand, protectionist measures have been still used and expanded. We are particularly concerned, Kulczycki stated, about the fact of much more extensive use of non-tariff obstacles in trade with socialist countries than it happens in trade of other countries.

Poland, which has done very much in the recent period towards liberalization of her trade system and is still determined to obey the generally accepted rules and principles of international trade adopted in GATT, has a right to expect a gradual, yet consistent elimination of those barriers.

Delegates Discuss Restructuring

LD1603203889 Warsaw PAP in English
1821 GMT 16 Mar 89

[Text] Geneva, March 16—At the 35th session of the United Nations Confernce on Trade and Development (UNCTAD) currently held here the role of broadly perceived services has been discussed.

Poland's delegate, Maciej Lebkowski, told the meeting that the fast increase and deep changes in the structure of international trade of services might be, also in the case of Poland, both an important source of foreign currency and a factor stimulating other branches of the economy.

Lebkowski said the deep restructuring of Polish socio-economic system also concerned the services. In many fields of services the to-date monopolized structures are being gradually abandoned while services were also included in the newly passed laws on the operation of foreign capital in Poland. The consistent drive towards liberalization in this field is accompanied in Poland by efforts to strengthen the foundations for a rational economic policy in the sphere of services and for a better recognition of competitive factors in the international exchange of services, the delegate said.

Poland is actively participating in the work of the negotiating group for services within the multilateral trade negotiations (the so-called Uruguayan round) held within GATT. We express a stand on that forum that the numerous efforts aimed at liberalization of the trade in services should add, at the same time, to the consolidation of competitive capabilities of domestic firms active in the field, Lebkowski said.

Agriculture Ministry Secretary Appointed

LD1603095789 Warwaw PAP in English
2213 GMT 15 Mar 89

[Text] Warsaw, March 15—The Polish prime minister, acting on the agriculture minister's motion, appointed Wieslaw Mlynarczyk to the vacant post of secretary of state at the Ministry of Agriculture, Forestry and Food Economy.

Mlynarczyk, born in 1936, is a doctor of agricultural science. From 1984 he has held the post of undersecretary of state at the Ministry of Agriculture. A PUWP [Polish United Workers Party] member. [sentence as received]

DPRK Military Attache on 'Team Spirit-'89'

LD1603155489 Warsaw PAP in English 1337 GMT 16 Mar 89

[Text] Warsaw, March 16—Speaking with PAP about the situation in the Korean Peninsula in connection with the large-scale military exercises codenamed "Team Spirit'89", military attache of the embassy of the DPRK here Col Kim Yong-il said in part:

"Conducting manoeuvres on such a scale and of an unequivocally offensive character near a demilitarised zone, creates a direct threat to the DPRK. In this situation spokesman for the Ministry of People's Armed Forces of the DPRK announced introduction of full combat readiness in the entire armed forces and paramilitary organisations of the DPRK."

Col Kim Yong-il recalled the DPRK's proposals aimed at easing tensions in the Korean Peninsula. Referring to the Jaruzelski Plan, he stated that the DPRK would like to lead to the introduction of such measures in the Korean Peninsula which would constitute a translation of assumptions of the Jaruzelski into the peninsula. He stressed that all the initiatives of the DPRK aim at strengthening the emerging atmosphere of dialogue and detente.

Public Opinion Center Director Visits U.S.

AU1703161789 Warsaw TRYBUNA LUDU in Polish 15 Mar 89 p 10

[PAP report: "The CBOS Director on his Talks in the United States—Stereotypes in Assessing Political Relations in Poland"]

[Text] Washington—PAP correspondent Jerzy Gorski writes: A delegation from the Public Opinion Research Center [CBOS], headed by its director, Professor Stanislaw Kwiatkowski, is currently visiting the United States at the invitation of the Ford Foundation and the Columbia University in New York. The delegation has held meetings and talks with representatives of public opinion research institutions belonging to higher educational establishments, scientific institutes, and mass media on the east and west coasts, as well as from Detroit and Chicago. The talks did not only dwell on professional subjects, in other words the science and methods of conducting opinion polls, but also on Poland. The "roundtable" and the dialogue between various forces and currents in Poland were discussed.

"The value of our U.S. visit lies not only in the fact that we are presenting the achievements of a Polish public opinion research institution, achievements that are appreciated here, but also in the fact that this is the first time someone here has presented the opposition's view of Polish affairs, the other side of the coin," S. Kwiatkowski said.

Next, S. Kwiatkowski said that a surprising stereotype occurs in assessments of Polish political relations. This stereotype can be described as a "contest between two forces," in other words between the authorities and society. "In such a bipolar structure, only one side can win," said S. Kwiatkowski. "We have tried to convince our interlocutors that the structure of social relations in our country is not so simple."

Ceausescu Chairs PEC Meeting on Economy

AU0703185189 Bucharest SCINTEIA in Romanian 3 Mar 89 p 1

["Meeting of the Political Executive Committee of the RCP Central Committee Under Comrade Nicolae Ceausescu's Chairmanship" held in Bucharest on 2 March]

[Text] Comrade Nicolae Ceausescu, Romanian Communist Party [RCP] secretary general, chaired a meeting of the Political Executive Committee of the RCP Central Committee on Thursday, 2 March.

The PEC examined a report on the fulfillment of the plan for January and February and measures aimed at implementing the plan provisions for March and the first quarter of 1989.

In connection with this point on the agenda, the floor was taken by the prime minister and other members of the government who reported on the results achieved in the first 2 months of the current year and on action taken to fulfill all plan indicators for March and the first quarter of 1989.

On the basis of data supplied and conclusions drawn from the analysis made during the meeting, the PEC assessed that production growth rates in January and February had been higher than those achieved in the same period last year, and that almost all ministries had fulfilled or even overfulfilled their commodity production plan. Despite all this, serious shortfalls continued in certain areas and thus results were below existing possibilities. In connection with export production, the meeting assessed that, although on the whole a certain growth was noted compared with the same period last year, the plan provisions for the first 2 months of the this year have not been completely implemented.

Starting from this situation, Comrade Nicolae Ceausescu, party secretary general, asked the government, the coordination councils for branches, the ministries, industrial centrals, and enterprises to concretely examine the reasons for the nonfulfillment of certain plan indicators and to work out firm measures to eliminate shortfalls without delay, to make up for all lags, and to completely fulfill the plan for March and the entire quarter. He specifically recommended that priority be given to the optimal fulfillment of export production.

The party secretary general drew attention to the need to continue to work with the greatest of responsibility and exactingness to improve the quality and the technical standard of products—a central question of all activities in industry—increase labor productivity to a great extent; perfect and modernize the production process; continue to reduce the consumption of energy, raw, and other materials; strictly observe approved norms; make maximum use of machinery, equipment, and installations; and strengthen order and discipline in all areas.

The speaker recommended that all problems linked to the fulfillment of plan tasks—regarding all indicators—be discussed at length within the coordination councils for branches and that tangible and effective measures be adopted to ensure the proper progress of all activities and higher rates than those stipulated by plan thus matching the level of the potential of our national economy.

The PEC then discussed a report on the evolution of prices and tariffs in 1988. It was assessed that on the whole 1988 was characterized by a positive situation; prices and tariffs maintained their 1987 level and stayed below planned limits, a fact that once again highlights the viability and sound nature of our national economy. The speaker called for further action to perfect and enhance the role of the price system in the economy, to ensure the strict stability of all prices, and maintain them within planned limits.

The PEC examined and approved measures on commendably implementing the third stage of the increase in the working personnel's pay and pensions, which will take place between 1 March and 1 August 1989.

This vast social action—which began on 1 August 1988, at the initiative and proposal of RCP Secretary General Comrade Nicolae Ceausescu—is proceeding in accordance with the decisions of the 13th Congress and the National Conference of the RCP and with the provisions of the party program on further raising the living standard of the working people and the entire nation. It is a telling illustration of the profoundly humanistic party-state policy of constantly raising the incomes of the working people and the well-being of the whole nation. Between 1 August 1988 and 1 January 1989, the wages of all categories of working people with a basic monthly pay of 1,500-2,250 lei were increased. Consequently, more than 4.4 million working people benefited from this increase. That is almost 60 percent of the entire working personnel in the economy.

As of 1 March, we proceeded to implement the third stage of increases, within the framework of which basic salaries of more than 2,250 lei will be gradually increased for various branches and activities. Comrade Nicolae Ceausescu proposed—and the PEC approved—that the pay increase action should conclude 1 month sooner than envisaged, so that, as of 1 August 1989, the entire working personnel in the economy should benefit from higher wages. During this stage, more than 3.4 million working people will receive increased salaries.

As a result of this measure, at the end of the pay-increase action, the average pay will reach 3,300 lei, compared with 2,980 lei before the increases. Thus, in 1989 the working personnel will receive additional incomes worth 24.4 billion lei. In 1990, when all working people will benefit from the increased remuneration, the yearly additional income will amount to 29 billion lei.

Likewise, as of 1 January 1989, the quota for the working people's participation in the profit-sharing fund will increase from 2.5-3 percent to 3-3.5 percent throughout the economy.

As of 1 March 1989, work and old age state social insurance pensions between 1,501-3,000 lei per month will be gradually increased, an action which is also scheduled to conclude 1 month ahead of time. Almost 1.4 million pensioners will benefit from this pension increase; the average monthly old age pension for full length of service will reach 2,000 lei.

In order to implement the measures endorsed, the ministries, other central bodies, the industrial central departments, and the enterprises will see to it that all necessary steps are taken in time, in order to strictly apply all legal provisions on gradually increasing remuneration and entirely fulfilling the programs designed to guarantee the necessary funds for these increases.

The PEC then discussed a report on preparing and commendably carrying out the spring agricultural campaign.

The figures contained in the report show that, thanks to the measures taken, all crops were assigned to the respective units and farms and overhaul and repair work has been finished on all categories of equipment required for the spring campaign. Likewise, we ensured the necessary seeds for all areas designed for sowing operations.

Proceeding from the given situation, the PEC asked the Ministry of Agriculture, the county party committees and people's councils, the joint agro-industrial councils, and all agricultural units to mobilize all technical and human forces in villages so that they carry out, on schedule and at an appropriate qualitative level, the sowing operations on all stipulated lands. These bodies should constantly check the progress of the entire range of agricultural operations, so as to obtain increasingly better crops this year, in accordance with plan provisions and with the targets of the new agrarian revolution.

The PEC then examined a report on the results of the livestock census for 1988, as well as a program of measures to raise the planned number of livestock and animal products in the 1989-91 period. The Ministry of Agriculture, county agricultural bodies, socialist agricultural units, people's councils, and specialized bodies were asked to work with great determination and responsibility to achieve the planned number of all animal breeds and products, to increase the reproduction indicator and improve breeds, and to ensure appropriate foraging conditions and proper care and stables for animals. It was established that, on the basis of the program adopted, the evolution of livestock must be pursued constantly and that the plan tasks in the animal breeding sector must be fulfilled under the best of conditions in each county, each commune, and in each agricultural unit. It was also recommended that the norms on the slaughtering regime and on the optimal slaughtering weight of animals be strictly observed, so that all meat quantities stipulated by the self-sufficiency programs will be achieved.

The PEC examined a number measures regarding the rational utilization of water and the conservation of its quality. Within this framework, the party secretary general recommended that a comprehensive program be worked out incorporating tangible measures aimed at judiciously using all water resources, eliminating loss, waste, and water pollution, exploiting and capitalizing on it in accordance with existing norms and the law in force, and at the responsible use and administration of water as an intrinsic part of the national economy and as a vital asset of all our people.

The PEC discussed and endorsed the proposals regarding the management of semi-precious natural stones. It was established that semi-precious natural stones derived from the processing of extracted mineral substances should belong to the national treasury.

The PEC also examined and endorsed the proposals on the exploitation and allocation for consumption of blocks of marble, multi-color limestone, travertine, and granite, and established measures for their rational use.

The PEC examined a report on the evolution of the demographic phenomena in 1988. Examining the data of the report, the PEC asked the Higher Health Council, the Ministry of Health, and medical directorates to ensure the improvement of the activity in this area in order to implement our party's and state's demographic policy. In this sense, it was recommended that firm and responsible action be taken to increase the birth rate and the natural growth of the population, to protect and strengthen the family, improve medical care in accordance with the conditions created by our socialist society, and to preserve and further improve the health condition of all citizens in our homeland in order to preserve the vigor and youth of the whole nation.

The PEC discussed and endorsed the plan of measures regarding the celebration of May Day, the 50th anniversary of the big antiwar, antifascist, and patriotic demonstration of 1 May 1939, and the 100th anniversary of the proclamation of May Day as the day of the international solidarity of the working people. It was established that these important events be marked throughout our country by extensive political-ideological, educational, and cultural-artistic events which should recall the rich revolutionary traditions of our people and the heroic struggle waged by the RCP against exploitation and oppression, war and fascism, and for the freedom, independence, and sovereignty of our homeland, for the revolutionary change of Romanian society and the construction of socialism and communism in Romania.

The PEC expressed the conviction that these anniversaries will be an excellent opportunity to demonstrate the close unity of the whole nation around the party and its secretary general, to broadly mobilize the creative energy and efforts of all working people to unflinchingly implement the theses, ideas, and guidelines included in Comrade Nicolae Ceausescu's speech of November 1988, to optimally fulfill the targets of the current 5-year plan and of the plans and programs for our country's socioeconomic development, and to commendably implement the decisions of the 13th RCP Congress and National Conference.

During the meeting, a report was presented regarding the official visit of Seyyed 'Ali Khamene'i, president of the Islamic Republic of Iran, to our country from 22-25 February this year.

The PEC assessed that the visit is an expression of the traditional Romanian-Iranian ties of friendship and cooperation and that, through its results, it marked an important stage in developing multifaceted bilateral relations to the benefit of both peoples and the cause of peace, understanding, and international cooperation. It was emphasized that during the talks, President Nicolae Ceausescu and President Seyyed 'Ali Khamene'i positively assessed Romanian-Iranian relations, which are based on the principles of full equality of rights, respect for national independence and sovereignty, noninterference in domestic affairs, and mutual advantage. The presidents of the two countries arrived at common conclusions regarding expanding bilateral collaboration and cooperation, particularly in such areas as industry, agriculture, trade, science, and technology by moving from the economic potential of the two countries and from the experience gained in the process of implementing projects of mutual interest.

During the talks, the sides also had a useful exchange of views on major international issues. The desire of Romania and Iran was expressed to strengthen cooperation in the world arena, to actively contribute to halting the arms race and to moving toward disarmament, primarily nuclear disarmament, to solving disputes between states through peaceful means and negotiations, to eliminating underdevelopment and establishing a new international economic order, and to achieving a lasting atmosphere of detente, security, cooperation, and peace in the world.

Endorsing the results of the visit, the PEC asked the government, the ministries, and the other central bodies to take measures to ensure the implementation of the decisions regarding the more intensive development of Romanian-Iranian relations.

The PEC also solved current problems of the party and state activity.

Ceausescu Message to Indian Party Leader

AU2003103789 Bucharest SCINTEIA in Romanian 17 Mar 89 p 3

[Congratulatory message from Nicolae Ceausescu, secretary general of the Romanian Communist Party, to Rajeswara Rao, general secretary of the Communist Party of India, on his reelection to office]

[Text] To Comrade Rajeswara Rao, general secretary of the National Council of the Communist Party of India

On the occasion of your reelection to the office of general secretary of the National Council of the Communist Party of India, I take particular pleasure in addressing to you warm greetings and best wishes for success in the fulfillment of the highly responsible mission bestowed upon you.

I express my belief that the relations between the Romanian Communist Party and the Communist Party of India will continue to develop in the interest of the two parties and the cause of socialism and peace in the world.

Nicolae Ceausescu, secretary general of the Romanian Communist Party

Giosan Receives Cuban Parliamentarians

AU2003184889 Bucharest AGERPRES in English 1723 GMT 20 Mar 89

[Text] Bucharest AGERPRES 20/3/1989—The chairman of the Grand National Assembly [GNA], Nicolae Giosan, met Monday, 20 March, a Cuban parliamentary delegation led by Severo Aguirre del Cristo, president of the National Assembly of People's Power, now on a visit to Romania upon the invitation of the GNA.

Satisfaction was expressed at the good relations of friendship established between Romania and Cuba, with emphasis on their growing course in accordance with the summit understandings. Stress was also laid on the role of the two legislative fora in the development of the Romanian-Cuban collaboration and cooperation, on the contribution they can make to intensifying efforts for the establishment of a climate of peace and understanding all over the world.

x x x

The same day the Cuban parliamentary delegation had interviews with executives of the Ministry of Foreign Affairs and the Ministry of Foreign Trade and International Economic Cooperation.

The interviews were attended by Niel Ruiz Guerra, ambassador of the Republic of Cuba to Bucharest.

x x x

The GNA Bureau gave a dinner in the honour of the Cuban parliamentary delegation.

Giosan Welcomes Pakistani Parliamentarians

AU1803144489 Bucharest AGERPRES in English 1134 GMT 18 Mar 89

[Text] Bucharest, AGERPRES, 18/03/1989—Upon the invitation of the Grand National Assembly of Romania, the speaker of the National Assembly of the Islamic Republic of Pakistan, Malik Miraj Khalid, heading a parliamentary delegation, arrived in Bucharest to pay a visit to Romania.

Upon arrival at the Otopeni Airport, the guests were welcomed by Nicolae Giosan, chairman of the Grand National Assembly, by other officials.

Rasheed Ahmad, ambassador of the Islamic Republic of Pakistan in Bucharest, attended.

National Wealth Growth Statistics Reviewed

AU2003165789 Bucharest AGERPRES in English 1458 GMT 20 Mar 89

[Text] Bucharest AGERPRES 20/3/1989—From the angle of the growing national wealth, Romania's post-war development is the evidence of the strategic coherence of the Romanian Communist Party [RCP] economic policy the aim of which is to make the country medium developed.

According to statistics, in 1950 Romania (with a national income averaging 80-100 US dollars per capita, or 15-20 times smaller than that of developed countries) was in the first group, of the least developed countries. Since then, the gap has shrunk to five times.

In the last forty years, large and modernly equipped industrial enterprises and districts were built around the country. Industrial production is more than 120 times larger today than in 1945. Moreover, there are major branches the production of which has literally soared: 1,200 times in chemistry, 113 times in metallurgy, 500 times in machine-building, 82 times in the light industry, 32 times in the food industry. Agriculture, reorganized on a socialist basis, has grown more than six times in terms of volume from 1945, first of all as a result of the modern fixed assets it has been using. Furthermore, irrigations have extended to 3.5 million hectares, from 230,000 hectares in 1965 and just 42,500 hectares in 1950. Other land improvement operations include drainage—on almost 3.3 million hectares by the end of 1987, and soil-erosion control—on more than 2.3 million hectares. All these, alongside the growing mechanization, have essentially contributed to grains production in excess of 30 million tonnes since 1986.

Research, education and culture have seen a powerful development. In 1945 there were 52 research units, now there are 215 of them. Faster even was the growth of the research, development and design staff—65 times larger now than in 1945—of which the highly educated personnel is now 50 times as numerous as it was then.

Health care also has improved: The number of physicians has increased from 10,600 in 1945 to over 48,000 and so has the number of hospital beds—to about 9.3 in one thousand inhabitants, from 2.9 in 1945, whereas the life span has extended to about 70 years, from just 42 between the two world wars.

An optimum rate of accumulation—of about 33 percent of the national income—has increased the national wealth more than twenty times from 1945 to 5,177.5 billion lei.

An over 32-time increase of the national income over 1945 was behind the 13-time or so increase of the working people's pay. The rate of employment—a significant factor of national wealth growth—was 489 in one thousand inhabitants at the end of 1988.

Housing, a relevant element of the quality of life, also saw an unprecedented development: Upwards of 3,400,000 homes were built from 1966 to 1988. One may say that all the towns of the country were re-built, with two thirds of their population having moved to new homes. There are towns and cities where housing is no longer a problem.

Before the end of the millennium, Romania, by continuing its present economic policy that gives priority to its own effort will enter a new development stage. According to the directives of the Thirteenth RCP Congress, the national wealth is planned at 5,500 billion lei in 1990, of which 3,800 billion lei in fixed capital. The annual growth projections are 8.7 percent for the industrial production, 5-6 percent for the agricultural production, 8-10 percent for the national income, with the per capita national income being planned at 50,000 or so by the year 1990. During these five years productivity is to double, energy requirement per national income point to drop, better industrial use to be made of the material resources, which will give the Romanian economy the characteristics of a medium developed economy in terms of quantity as well as quality.

Stipe Suvar Pays Visit to Italy, Holds Meetings

Talks With Bettino Craxi

LD1803193889 Belgrade TANJUG Domestic Service in Serbo-Croatian 1728 GMT 18 Mar 89

[Text] Rome, 17 Mar (TANJUG)—In Rome, Bettino Craxi, secretary of the Socialist Party of Italy [PSI], has received Stipe Suvar, president of the LCY Central Committee Presidium, who is leading an LCY delegation to the Italian Communist Party [PCI] Congress, which is being held in Rome.

During the meeting, which lasted 1 and ½ hours, attention was chiefly devoted to the situation in Yugoslavia and the efforts of the LCY and the new government to solve economic problems. Craxi expressed the wish to personally involve himself with the aim of Italy helping Yugoslavia out of its crisis through economic cooperation.

Craxi particularly stressed that for many years the LCY had been the only communist party with which the Italian Socialists had maintained contacts, which is something that representatives of that party highly value and do not forget.

Stipe Suvar and the members of the LCY delegation also had contacts with several foreign delegations attending the PCI congress.

Meets With PCI Leader

LD1803110189 Belgrade TANJUG in English 1826 GMT 17 Mar 89

[Text] Rome, March 17 (TANJUG)—Secretary-General of the Italian Communist Party (CPI) Achille Occhetto and President of the League of Communists of Yugoslavia (LCY) Central Committee Presidency Stipe Suvar conferred in Rome today on efforts for surmounting the Yugoslav economic and social crisis and on the forthcoming, 18th, congress of Italian Communists.

Suvar is heading the Yugoslav delegation to the CPI congress which opens in Rome tomorrow.

Suvar acquainted his Italian counterpart with the efforts invested by the LCY towards resolving the serious economic and political problems in Yugoslavia. Occhetto announced that, after the congress, the CPI would follow a path of greater democratization and unification of the European Left.

Suvar renewed the invitation to Occhetto to visit Yugoslavia and indicated that the visit might take place already this spring.

Returns, Comments on Visit

LD1903043889 Belgrade TANJUG Domestic Service in Serbo-Croatian 2207 GMT 18 Mar 89

[Text] Zagreb, 18 Mar (TANJUG)—The Italian Communist Party [PCI] congress shows that the party is opening up to all democratic forces in society, Stipe Suvar, president of the LCY Central Committee Presidium stated this evening on his return from Rome where he attended the 1st day of work of the PCI congress.

In a short statement at Zagreb airport, Suvar put forward his impression that the PCI was moving along a new line of ascent, both in its ideas and its practical policy. The 1st day of work of the congress showed the great unity of the delegates on the ideas put forward in a speech by Achille Occhetto, and this was most inspirational, Suvar said. The Italian Communists are looking at their role from the point of view of contemporary world and European processes. They are reexamining the logic of contemporary world development, which cannot lie in profit alone. The dilemma of "market or state" is not one they set themselves, rather they speak about "a better market" and "a better state." They also are against bureaucratism and the narrow-mindedness of capitalist individuality.

In talks between Suvar and Occhetto, a high assessment was given to the mutual cooperation between the two parties. For decades now this cooperation has been better than good, Suvar stressed in his statement at Zagreb airport, ever since the foundations of that cooperation were laid by Tito and Togliatti, as both sides emphasized.

Suvar, according to his statement, also had very substantial talks with Bettino Craxi, secretary of the Italian Socialist Party on issues of economic cooperation, in connection with which Craxi expressed the interest and readiness of the Italian side to work for its advancement and in support of Yugoslav economic reform programs.

During his stay in Rome, he said, Suvar also held 4 hours of "exhaustive" talks with journalists from LA REPUBBLICA, who asked him about a series of topical subjects connected with Yugoslavia's internal political scene.

Mikulic Grants Farewell Interview to BORBA

AU2003085689 Belgrade BORBA in Serbo-Croatian 11-12 Mar 89 pp 1-2, 4-6

[Unattributed interview with Branko Mikulic, president of the Federal Executive Council: "Walking Along an Uneven Road: Branko Mikulic's Farewell Interview: How I Worked and Why I Decided to Go"; date, place not given"]

[Text] In the course of December 1988 (and it continued in January 1989), there was no inclination in Yugoslavia to accept a continuation of an efficient control of public spending, but even the most market-oriented economy

cannot ensure stability of economic trends without restricting the growth of this spending as well as of personal incomes, so that they move within the limits of the growth of national income in real terms. Under these conditions, we were unable to accept responsibility for the implementation of the anti-inflation policy, but all eyes and all criticism were directed toward the Federal Executive Council [FEC]. Therefore the FEC submitted its resignation. This was the direct cause for this action, Branko Mikulic, the first FEC president—who will officially in a few days' time leave the helm before his term has run out—stated in an exclusive interview for Sunday's BORBA. We believe that the experiences and trials of his truncated rule will be of use to all who endeavor to understand all the controversies of the current Yugoslav situation and try to find their way among them.

[Question] One can hear the views that the FEC had to "leave" because of the collapse of the economic policy in 1988. This was the next question we posed to Branko Mikulic.

[Mikulic] I have said what the immediate cause of the FEC resignation was. I ask those who talk about a collapse of economic policy: Can one assess such results in our economic relations with the world, such foreign exchange earnings, such a state in the balance of payments, the implementation of a policy of a realistic exchange rate and of real positive rates of interest, such a liberalization of prices and of imports, such a state of foreign exchange reserves and the functioning of the foreign exchange market, a reduction of the foreign debt, a reduction of the economy's tax burden, a reduction of state regulations in the economy, the beginning of industrial production growth, the financial results achieved, an increase in the efficiency of business operations, reduced losses, and others—can one assess them as a failure of economic policy?

Possible hasty moves in the implementation of an anti-inflationary policy, if made, may stop the described positive processes and the implementation of the reform, but these will not stop the inflation. On the contrary, stopping and reducing inflation will be postponed and the prospects of overcoming it will be increasingly reduced. One cannot overcome it with administrative measures, but only with well-thought-out economic programs and their consistent implementation in all enterprises and self-managing and sociopolitical communities in a market ambience. In the past 10 years, we tried to stop inflation six times by introducing a complete control and freeze of prices, but the rate of inflation has been doubling every year in this decade! Is this not a sufficient lesson? Why should we repeat mistakes?

[Question] You know that opinions exist that there was no implementation of an economic policy directed toward commodity production and the market, especially at the beginning of this FEC term of office.

[Mikulic] This FEC was elected in May 1986. The resolution for that year, adopted in the SFRY Assembly on 28 December 1985, imposed the obligation that the current monthly increase of prices should be reduced to 3 percent through price control. The criteria for the formation of prices of raw and production materials, energy, and consumer goods were set in particular. It was then decided that the interest rates should also be harmonized with the increase in inflation programmed in this way. Considering that the annual rate of inflation exceeded 100 percent in June 1986, the FEC proposed to the SFRY Assembly additional measures for reviving production and exports, as well as for keeping the growth of public spending and personal earnings within the limits of available income, which the resolution had not envisaged. We were criticized because of that, and the FEC was considered responsible for taking measures to implement the resolution, which the FEC had not proposed.

[Question] One can hear questions of why you did not propose that the policy set by the resolution be abandoned.

[Mikulic] In the analysis that we submitted to the SFRY Assembly on 12 June 1986, we pointed out that it was necessary to immediately embark on a reconstruction of the economic system and changes in the political system, a structural adjustment of the Yugoslav economy, and an advancement of scientific and technological development. Time was needed for all this. We worked on this, and we proposed a reform of the economic system, a strategy of scientific and technological development, and a policy of structural changes.

When all this was passed and when we turned to the implementation of the new policy, the FEC was subjected to the fiercest criticism and demands that it should resign. Time will tell whether this was an expression of support for the reform and the new economic policy, or something else!

[Question] Can one at all assert that what was done, and the way it was done, was enough?

[Mikulic] It is never enough. One can always do more and better.

[Question] When you submitted your resignation on 30 December last year, you also spoke self-critically about the shortcomings in the FEC's work.

[Mikulic] Yes, undoubtedly some errors were made; some moves were made in a hurry which have not been confirmed as correct in practice; frequent changes were made in regulations, especially the Law on Gross Income, and so forth. In such extensive and delicate work, omissions are also a consequence of insufficient professionalism of the federal organs, of work done in a hurry and under the pressure of growing nervousness in

society because results were not achieved more quickly, especially in regard to checking and reducing inflation. Under such conditions errors are inevitable, like in any other work.

[Question] In January the FEC submitted to the SFRY Assembly a report on the implementation of economic policy in 1988 and on the preparation and implementation of economic reform. Have the economic trends at the beginning of this year run according to the basic statements and conclusions presented in the report?

[Mikulic] At the request of the SFRY Assembly Chamber of the Republics and Provinces, we presented this report on 31 January this year. As is known, the Central Committee of the League of Communists of Yugoslavia [LCY] concluded at its 17th and 19th sessions that such reports should be submitted by all executive organs of the assemblies of sociopolitical organizations.

The FEC has nothing to add or to detract from the statements and conclusions in the report.

In the meantime, definitive data on the basic economic indicators for 1988 and for January 1989 have been published, covering even February this year in some fields. This data confirms the assessments and conclusions of the report, both those that are positive and those that are negative.

[Question] Can you illustrate this?

[Mikulic] Considering that the physical volume of industrial production in December was 10 percent greater than in November 1988, and 4.4 percent greater than in December 1987, one can say with more certainty that the perceptible growth of industrial production in the fourth quarter of 1988 has been strengthened and confirmed with the further relatively high growth at the beginning of 1989. In January the physical volume of this production was 4.2 percent higher than in January 1988. It is particularly encouraging that after a long time, all the republics and provinces marked a growth in the physical volume of industrial production. Definitive data on seasonably adjusted monthly indexes of the physical volume of industrial and overall production also show that there was no further slow-down after May 1988, but that there was a gradual revival of industrial production as well as the overall volume of production, with the exception of agriculture.

[Question] Is this a consequence of increased imports in the fourth quarter of last year?

[Mikulic] Further checks show that the liberalization of imports in the second half of last year had a positive influence on industrial production. It is estimated that the high growth of imports in October and November 1988 makes a continuation of the present trend of industrial production revival possible.

[Question] Relatively favorable results in economic relations with foreign countries were achieved last year. Does this trend continue?

[Mikulic] The report presents the final data on commodity trade with foreign countries in 1988, and it is very favorable. I do not know why you assess it as only relatively favorable. The data for the 1 January-27 February 1989 period shows that the positive trend in exports and imports continues, which is somewhat unexpected if one takes the high basis at the beginning of 1988 into consideration. In this period, exports to the hard currency area increased 10.2 percent, while imports from the hard currency area increased 24.6 percent. Within this increase, the imports of production goods from the developed countries increased 17.3 percent, and the imports of consumer goods 37.5 percent.

Foreign Exchange Earnings $23 Billion

[Question] What is the situation in the country's balance of payments?

[Mikulic] The data of the balance of payments for all of 1988 show our records in this field as well. We achieved the highest nominal foreign exchange earnings from all current transactions with foreign countries; the highest earnings from these transactions with the hard currency area; the highest overall and hard currency earning from exports of goods; and the highest balance of payments surplus, both overall and in the hard currency area.

For the first time in the history of Yugoslavia, our total foreign exchange earnings from exports of goods and services and from other current transactions amounted to $22.9 billion, of which $19.4 billion or 84.5 percent came from the hard currency area. We earned $12.8 billion from the export of goods, of which $9.6 billion or 75.3 percent comes from the hard currency area. In comparison with 1985, the total foreign exchange earnings were increased by $5.2 billion, or 29.5 percent, while those with the hard currency area increased by $6.2 billion, or 47.5 percent. [figures as published]

The total balance of payments surplus is almost $2.5 billion, of which $2.2 billion represents a surplus arising from trade with the hard currency area. Bearing in mind the fact that we recorded a real increase in industrial production only in the second half, or to be more precise in the last quarter, one can say that the economy has demonstrated a satisfactory level of ability to change the structure of production and exports in order to switch exports from the clearing account countries to the hard currency area.

In 1988 hard currency reserves were increased by $1.5 billion, while Yugoslavia's total debts were reduced by $363 million. On 20 May 1986 foreign exchange reserves amounted to $1 billion 617.6 million, while on 2 March 1989 they amounted to $3 million 124.4 million, or rose

by 93.2 percent (the standby arrangement was used in both periods and the figures are therefore comparable). The quality of foreign exchange has also significantly improved.

[Question] What is the actual size of Yugoslavia's foreign debt?

[Mikulic] At the beginning of the last quarter of 1988, Yugoslavia's total debt, contrary to all guesses, was $19.8 billion, including short-term loans. If we take into account debts owed to us by other countries, the net debt would amount to $17.35 billion. In the last 8 years, developing countries more than doubled their debts, while Yugoslavia has in fact reduced its debt.

[Question] Are you satisfied with the functioning of the foreign exchange market?

[Mikulic] Yes. The unified foreign exchange market continued to function successfully in 1989. The value of transactions in the banking sector alone was $2.21 billion. The net intervention by the National Bank of Yugoslavia was worth $200 million.

As is known, between the end of May and 31 December of 1988, the gross foreign currency trade on the foreign exchange market amounted to $9.5 billion. The net intervention by the National Bank of Yugoslavia amounted to $754 million.

[Question] Your previous answers suggest something which many people will not agree with, specifically that despite everything, the May measures have produced positive results. Would it not be closer to the truth to say that at the time of general deterioration of the situation, the May measures produced only certain positive results?

[Mikulic] All my previous answers confirm that the May measures have produced positive results. The results are obvious in our economic relations with other countries and because industrial production has started to rise. If somebody told you only 2 years ago that in 1988 we would have the present amount of foreign exchange earnings, that we would have the present balance of payments surplus and the present foreign exchange reserves, that we would not have a larger, but a smaller foreign debt, that the foreign exchange market would function without any difficulties, and so forth—you would have said that he was unrealistic. These and other results "did not fall from the sky," but are the result of the persistent implementation of the established economic policy. This is confirmed by the data on the economy's financial results in the 9 months of 1988 (final accounts have not yet been completed). According to them, the economy's income rose by 14.4 index points faster than the total income. This is a result of cost reductions. On the other hand, the rise in the total income was considerably influenced by the rise in income from sale of goods and services to other countries. The share of these in the structure of the total income rose by 3.2 index points.

Effects of May Measures

In the same period, the expenditure for general social and joint needs increased more slowly; therefore, the part of the distributable income in the first 9 months of 1988 (in relation to the same period in 1987) accounted for by this expenditure fell from 30.5 percent to 30 percent.

Other significant shifts in business activities are also a proof that the economy has started to react to the market stimuli and forces. Business efficiency has increased. The ratio of total income to total inputs is more favorable; we have a higher income per worker; higher income according to the average usage of business funds; the current losses have been reduced in real terms, in terms of both volume and the number of loss-incurring organizations, as well as the number of workers working in loss-incurring organizations.

The current losses have been halved in real terms, while the funds from the net income used for the accumulation of capital have increased. At the same time we increased the rate of the economy's reproduction ability from 5.7 percent to 6 percent, or from 16.3 percent to 16.7 percent, including the effects of revaluation.

[Question] Can you say something about interest rates in view of numerous, sharp criticisms that were directed toward the interest rate policy which had been conducted, criticisms that did not only come from economists?

[Mikulic] In the period January-September of 1988, the economy paid a total of 5,133 billion dinars to banks as interest, while at the same time it received interest from banks amounting to 1,700 billion dinars. In net terms, the interest payments represented a cost to the economy amounting to 3,433 billion dinars. This cost represents 1.86 percent of the total costs of the Yugoslav economy. About one half of the total net interest paid consists of interest paid on foreign loans, foreign loans that have not been transferred to the National Bank of Yugoslavia. Considering that it is not possible to stipulate the revaluation of these loans, since this is done automatically (through changes in the exchange rates), and considering that the real positive interest rates were stipulated for the bulk of the loans (between 9.5 percent and 10.5 percent), it is clear that only one half of the Yugoslav economy's net interest could be considered as a possible way of reducing business costs. In other words, this means that—assuming that all positive interest rates contained in the business costs of the Yugoslav economy were to be scrapped—the costs could be reduced by 0.93 percent at most.

At the end of 1988 and the beginning of 1989, some banks started to reduce their interest rates, and even to return interest to some work organizations. Of course, one should not criticize the fact that banks returned the interest which they themselves assessed as too excessive. However, it would be logical to ask why they were greedy and raised interest rates so much in the first place.

[Question] Is the redistribution of funds in the economy also achieved through interest rates?

[Mikulic] One can see from the accounts of one of our big banks that during 1988 it charged 442 billion dinars of interest in excess of the revalued rate of interest. On the other hand, the same bank had to write off dubious and doubtful debts totaling 368 billion dinars. It is understandable that its active interest rate policy could be considerably lower had it not been for this kind of redistribution of funds within the economy.

Personal Incomes and Inflation

[Question] Considering that the economic situation is deteriorating, what could be the real meaning and scope of positive economic trends, especially in view of the fact that we had negative economic growth in 1988?

[Mikulic] A rise in the social product in 1988 was almost 2 percent smaller than in 1987. Under the conditions of a certain, although negligible, rise in the number of employed, it is clear that in 1988 there was no rise in the total productivity in the social sector, nor in industry. In this way we continued the trend toward no productivity, which has been present in the Yugoslav economy since 1986. In addition, a 3.3-percent fall in agricultural production also affected the fall in the social product. It is estimated that this has reduced the rate of increase of the social product by 0.4 percent.

[Question] Solving the problem of inflation was the central issue for the FEC. However, last year's inflation led many people to negatively assess everything that the FEC had done, because inflation is a synthetic indicator of the situation in any economy and society. What is your view about this, especially considering the fact that last February we had record inflation, and the forecast is that it will exceed 400 percent at the end of 1989?

[Mikulic] If everything that the FEC has done were to be judged only in terms of the rate of inflation, ignoring the inherited shortcomings and mistakes in the economic system and the structure of the Yugoslav economy, as well as in the political system, you would be right. However, we cannot rid ourselves of this inheritance easily or quickly. The road to stabilization is not straight, and there is no other road. A successful walk along this uneven road assumes greater efficiency in the Yugoslav economy and society, a change in our attitudes toward work, and the abandoning of numerous dogmas and illusions about a life of ease paid for by foreign loans rather than our own work.

Unfortunately, the truth is that inflation escalated at the beginning of this year. In January of 1989 the rise in retail prices was 14.7 percent, while the rise in the cost of living was 14 percent. In February the rise in retail prices was even greater (21.7 percent). This is the largest monthly rise ever. At the end of January and the beginning of February, the price of some goods and services also rose; this will affect prices in the following months. However, I would not want to say what the rate of inflation will be at the end of 1989. Halting and reducing inflation will, on the one hand, depend on an increase in production, exports and imports—the supply and demand on the home market—and on reducing expenditure within the boundaries of the national income, on the other hand. Of course, we have not discussed this yet.

[Question] Could the justification for the failure of the anti-inflation program in general be the fact that the FEC itself does not have a crucial effect on the rise in prices with its measures?

[Mikulic] So that there is not the misunderstanding that the FEC raises prices, I would like to recall the facts: In January 19.95 percent of all producers' prices in industry were under direct social control, which means that 80.05 percent of these prices were set freely. For agricultural-food products, a total of 1.4 percent of producers prices were under direct control. A total of 7.1 percent of retail prices are under direct control. Such a great and intensive liberalization of prices cannot be implemented without causing an increase in inflation. On the other hand, we would not be able to put into practice the concept of the market economy and extricate ourselves from the situation of excessive state regulation without this and other liberalization. The price for mistakes made in the economic system in the last few decades must be paid with, among other things, high inflation.

Highbrow and Impatient Demands

Some of the prices that have remained under control are mainly prices for services under the jurisdiction of the socialist republics and provinces. The average current increase in prices of services in January amounted to 16.6 percent for the country, and the increases in those prices under the jurisdiction of the republics and provinces were as follows: in Bosnia-Hercegovina 14.1 percent, in Montenegro 5.3 percent, in Croatia 15.8 percent, in Macedonia 12.7 percent, in Slovenia 16.1 percent, in Serbia 21.3 percent and, within this, in the Socialist Autonomous Province of Kosovo 7.6 percent, and in the Socialist Autonomous Province of Vojvodina 20.5 percent.

Of course, the economy also does not lag behind in "efforts" to increase prices. Producers' prices for industrial products in the first 2 months of this year rose by as much as 49.3 percent. Ten industrial branches with the highest increase in prices contributed to this increase with 47.4 percent: the production of oil derivatives (68.5 percent), the production of cattle fodder (67.1), the

production of electrical machinery and equipment (66.4), forestry exploitation (65.9), oil and gas production (63.7), nonmetallic minerals production (62.7), the production of finished wood products (62.1), ferrous metals (59.1), basic chemical products (57.3), and the production of means of transport (56.5 percent).

[Question] Concern about this inflation is general and understandable, so it is logical that the number of critics of the economic policy is on the increase. Mutually exclusive solutions for curbing inflation are being proposed. Which moves would the FEC not make in the struggle against inflation, considering the social limitations of any more radical moves?

[Mikulic] Since the final months of last year, when we were retreating, we heard "high-brow" expressions which assessed economic policy in 1988, as well as impatient demands and conclusions that inflation should be curbed overnight at any price. If inflation could be curbed through interminable discussions and the writing of conclusion after conclusion, then the rate of inflation in Yugoslavia would have to be the lowest in the world!

However, it has been demonstrated that statements by individuals and demands by certain organs that inflation be curbed also have the effect of increasing it, because in anticipation of drastic administrative measures, decisions are made in part of the economy based on a great and economically unjustified increase in prices. Therefore, increasing prices is an attempt to compensate for lost earnings because of work absences and work stoppages for various reasons (social, economic, and political). Moreover, many organizations increase prices and then offer goods on interest-free credit, thereby stimulating demand and causing prices to increase.

In the first 5 months of this year, the high increase in inflation will partly be a consequence of keeping prices low in the same period as last year, when measures for setting price ceilings were in force. After the beginning of June, this reason will disappear, so on this basis it can be realistically expected that inflation will slow down.

Softening the November Program

As you have said, the social limitations are very great. As well as what has already been said, I would add that it is very indicative that inflation is virtually not mentioned at work meetings in enterprises, the assemblies of sociopolitical communities and their organs, in the chamber system, in banks, and so on. "Heated" conversations are held about this for the public, and we point the finger at others while minding "our own business" "in our own house." For 2 and ½ years, the FEC has pointed out the monopoly in the Yugoslav market—local, regional, republic-provincial, branch, and sector—but everyone looks after their own and criticizes others for closing off the market and for monopoly. Many associations and business communities have become cartel organizations. Within these, agreements are reached on prices, banning the development of competitive products, and, up until recently, banning imports. There is no reason for such associations and communities to continue to exist.

[Question] What has the FEC advocated?

[Mikulic] The FEC has been involved in implementing the anti-inflation program of 14 November 1987 and has proposed that it be "expanded" with three special programs, of which the first is the program of measures for relieving the economy, the second is a program to improve the position of agriculture, and the third is a program for improving the position of the economy and banks in the economically insufficiently developed parts of Yugoslavia which have above-average debts. These programs together should have an additional effect on eliminating the causes of inflation and creating conditions for it to fall gradually.

[Question] From what you have said, one could get the impression that the anti-inflation policy that has been conducted is basically a good policy. Do you think that the facts give a justification for such an assessment?

[Mikulic] Had the adopted policy been implemented consistently, results would not be lacking—regardless of the "softening" of the November program that was carried out.

[Question] What did the FEC do to relieve the economy, and was this enough?

[Mikulic] After relieving the economy in 1988 and 1989, we announced a policy for relieving the economy through reducing the federal budget and the cost of extra-budgetary expenses. Most of the import duties were scrapped at the same time, which means that the economy in 1989 will be relieved by about 9 to 13 thousand billion dinars, depending on the rate of exchange of the dinar during the year. The economy was relieved in this way by scrapping taxes on all payments going abroad, reducing duties for evening out the tax burdens on imported goods, scrapping the payment of duties for the registration at customs of those imported goods intended for the production of exports, as well as the scrapping of the payment of taxes on imported goods intended for the production of goods to be exported.

With the continuation of the rescheduling of the foreign debt in 1989, it is expected that the economy will be relieved to the value of $1.9 billion, that is, by at least 1,330 billion dinars.

These and other measures, as well as the aforementioned, will ensure that exports motivated by income will remain at the same level as the end of May 1988.

With the present situation in the use of capacity, work productivity, and the efficiency of business operations, it seems that some people would not be satisfied even if the payment of all obligations to society were scrapped.

[Question] What emerges from the FEC report and from what you have said is that, contrary to the numerous criticisms, the FEC has conducted a consistent economic policy. Is this a realistic assessment?

[Mikulic] Economic policy in 1988 was not dependent on some short-term ad hoc program, but was a constituent part of the stabilizing anti-inflation policy which the FEC had been gradually formulating since the beginning of 1987. It was clear to the FEC from the beginning of its work that inflation in Yugoslavia had long-term causes and deep roots which were of a systemic and structural nature.

The structural causes of inflation lie in the bottlenecks in the Yugoslav economy which result in the appearance of an imbalance in the supply of and demand for certain types of goods. These causes of inflation cannot be eliminated without structural changes in production, imports, and exports, which require at least one medium-term plan period, and this is, of course, on the condition that a consensus on developmental policy is reached. The systemic causes of inflation lie in provisions in the economic system, which have made it possible for decades for more to be spent than the realized national income, which caused bad and nonoptimal allocation of factors of production and accumulation, incorrect investment, and other long-term generators of inflation (questionable debts, deficits, losses).

In such conditions, the anti-inflation program which the FEC prepared had to meet some complex but contradictory demands: to simultaneously lead to the lowering of inflation, introduce elements of the market economy, influence the necessary structural adaptations, and ensure the revival of growth.

Many elements of this anti-inflation program had already been anticipated in the economic policy for 1987, although it was not adopted in the SFRY Assembly until 14 November 1987, after being considered for a long time and after much controversy. It is in force even today.

[Question] You said that the anti-inflation program also had contradictory demands. As such, was it a realistic program?

[Mikulic] Of the two models known in the world for stabilization and curbing inflation, the Yugoslav program falls into the category of so-called heterodox programs with a gradual effect. Its orthodox part is made up of a policy for preventing excessive demand, which is manifested in the nominal limits of the possible growth in personal and public spending, as well as of the monetary aggregates. All these aggregates should increase more slowly than inflation and the nominal growth in national income. On the other hand, this program also contains measures for reviving production and its structural adaptation, that is, for an increase of supply under full market conditions. These are the liberalization of prices, the liberalization of imports, and the liberalization of the functioning of the foreign exchange market.

Two Models of Stabilization

The technical validity and consistency of this program were also confirmed by Yugoslavia's creditors. The program, which we formulated and adopted, represented the basis for the rescheduling of half of Yugoslavia's foreign debt, and has helped in creating conditions not only for the functioning of the foreign exchange market, but for the economic reform and a gradual revival of the country's economy as well.

That the program is realistic is also confirmed by the data contained in the report and the data I mentioned earlier. The program has undoubtedly produced positive results. True, it can be interpreted differently, depending on different people's realistic expectations of a reduction in inflation after the initial stage of the program introduced in May of 1988.

[Question] The FEC has often stressed that the May program and its realization represent the basis for preparing a reform of the economic system.

[Mikulic] This is certainly true. The "terrain" for the economic reform would never have been prepared without the liberalization of prices, imports, and the foreign exchange market. One could not even imagine the market economy and the independence of work organizations without a great degree of freedom in setting prices of goods and the factors of production, and without strengthening competition with other countries and at home. The liberalization of imports would simply be impossible without the liberalization of the foreign exchange market, that is to say the market setting of the foreign exchange rates.

[Question] Are you satisfied with what has been done in the preparations for the reform?

[Mikulic] We believe that we have brought to an end the formulation of the most radical and complete economic reform to date in Yugoslavia. The FEC decided to start work on this matter because it became aware that the deep systemic roots of inflation and inefficiency in conducting economic affairs could not be eliminated, and that the structural adaptation of the Yugoslav economy to the new development parameters that stem from our domestic aims and foreign countries, on a market basis, would not be possible without a fundamental reform of the economic system. By engaging science and putting in a lot of intensive work, the FEC, proceeding

from the Long-term Economic Stabilization Program, has already formulated—through its Commission for Reforms—a concept of the economic system's reform, based on four postulates.

The first is that enterprises should establish themselves in the center of the system as the main market entity enjoying full independence in business decisionmaking and bearing full responsibility for the results of their decisions. The reform is supposed to find solutions so that all enterprises, regardless of their ownership status or form of organization, are put in the same position. The aim was to enable socially owned enterprises, mixed social-private enterprises, and mixed domestic-foreign enterprises, as well as enterprises of different organizational forms, to operate under the same conditions in the Yugoslav economy.

The second element of the reform is the economic policy which proceeds from the assumption that the basic aim of all enterprises is the maximization of business results in terms of their earnings.

The third point of the economic reform is the assumption that enterprises, independently and economically, responsibly maximize their business results on the market, and that the market serves them as the basic source of information for business decisionmaking, because it supplies them with signals—in the form of prices of goods and the factors of production—about what the market wants and what projects are worth investing in. The reform assumes a complete market for goods and the factors of production, which is to say, the capital and labor markets, which means the setting of prices for goods, and the factors of production on their own markets.

The fourth postulate is that enterprises should try to achieve their business aims on the market by competing with other domestic as well as foreign enterprises. Therefore, the reform assumes a major opening up of the economy not only to goods, but also to the influence of all forms of economic relations with other countries and the direct business activities of mixed and foreign enterprises in Yugoslavia.

[Question] In order to propose a reform of the economic system, you needed to propose some necessary changes in the Constitution.

[Mikulic] The FEC proposed several corresponding changes in the Constitution: in the sphere of expanded reproduction and ownership relations; in the sphere of a free, unimposed organization of the economy based on enterprises and their free choice of internal organization; in defining the objectives of enterprises regarding their earnings; in creating the conditions for a unified taxation system in Yugoslavia; in the sphere of the credit-monetary system, in which we should create conditions for banks to set themselves up as independent financial organizations which are in the business of expanding their capital; in the sphere of foreign investments, where we needed to create conditions for dealing on a national basis with foreign subjects in the Yugoslav economy, and for a complete opening up of the Yugoslav economy to their activities on the Yugoslav market.

[Question] Has what you have proposed been accepted?

[Mikulic] Yes, except the proposal concerning the taxation system.

The Reform Has Started

[Question] The FEC was working on the amendments and was preparing new systemic laws at the same time.

[Mikulic] This work enabled us to come up with specific solutions in the reform of the economic system shortly after the amendments had been adopted and, on the basis of this, to present the Assembly with the key economic-systemic laws or their amendments.

[Question] Some of these laws have been adopted. Does this mean that the reform has started, or are we still waiting for something else?

[Mikulic] The process of reform started with the adoption of the economic-systemic laws in December, January, and February by the SFRY Assembly and, above all, with the adoption of the Laws on Enterprises and Foreign Investments, which are of key importance for the implementation of the economic reform.

The Law on Enterprises is one of the fundamental laws which enables the economy in the social and private sectors, which have both pure and mixed ownership organizations, to organize itself on the basis of the market principles. This law and the Law on Foreign Investments will facilitate the inclusion of additional accumulation of capital from the private sector and from abroad in those production processes which investors consider financially attractive and rational. Analyses have shown that without such solutions, we would not be able to start development, nor to carry out so many necessary structural changes.

The adopted Law on Social Planning has freed enterprises from statist clamps and from having a basis that is too institutionalized for one's own development in a modern direction.

The adoption of the Law on Banks, the Law on Securities, the Law on Accounting, and the Law on Business Finance has rounded off the market milieu in which independent and responsible enterprises should carry out their prime objectives. The solutions that have been adopted so far have in fact started those economic changes that should certainly be sufficient to initiate

irreversible changes in the economic system, and later in the structure of the Yugoslav economy. All this does not, however, mean that this process will be smooth and quick.

[Question] Are the reform laws and the implementation of the established policy deregulatory?

[Mikulic] When this FEC was elected in May of 1986, we announced that we would reduce the extent of regulations in the economy. By starting the work on the economic reform, the adoption of systemic laws, the implementation of the price liberalization program, the liberalization of imports, and the functioning of the foreign exchange market, we in fact already have taken a major step in reducing regulations. The adoption of the seven systemic laws marked the end of 11 entire laws and some provisions of other laws. Moreover, the seven laws which the FEC has already forwarded to the SFRY Assembly for discussion propose that 11 laws should cease to be valid. Even more has been done on the reduction of various ordinances. The seven laws that had already been adopted and another seven laws which are still going through the Assembly procedure alone propose that the number of ordinances be reduced by 79 acts. The January decision of the FEC to abolish and reduce some duties and taxes on imports and on the liberalization of imports, in addition to economic effects, have also contributed to significant deregulation of economic relations with the world. We are preparing or will propose in the following period, within the deadline set for the introduction of the amendments to the SFRY Constitution as prescribed by the law, the harmonization of 31 more federal laws which would contribute to the reform of the economic system. The adoption of these laws should further reduce state regulations. On 9 March the FEC adopted the draft proposal of the Law on Foreign Exchange. Its adoption will rescind 54 ordinances. This is in accordance with the philosophy of the economic reform, especially with our orientation toward the full independence and responsibility of economic entities in carrying out their economic policies. However, one should not have any illusions that the state's need to regulate business activities will cease to exist altogether. This is proved by the experience of other countries which have very developed and properly operational integral markets.

Who Needs Pessimism?

[Question] Bearing in mind everything that has been said so far—the preparations that have been made and the situation in the economy and society—do you expect that the revival of economic activities will continue this year, and that there will be a reversal in slowing down inflation?

[Mikulic] With the reform and the measures of the economic policies, we have created the conditions for a gradual revival of production and a reduction in inflation. The basis of our expectations that production will revive during 1989 lies among other things in the following: We have secured the rescheduling of our foreign debt; the foreign exchange operates undisturbed; the economy has been considerably relieved; we have considerably liberalized prices and imports; we have proposed suitable solutions for resolving the problem of losses incurred by banks and the National Bank of Yugoslavia; we are conducting a policy of the real dinar exchange rate and the real positive rates of interest. We should not deviate from this, and must persist in implementing this policy. During 1989 we should not expect the liberalization of prices to have the same effect on the general price level as in 1988, and we hope that there will be no repeat of the drought.

Considering all these elements, one could say that our belief that production could revive in 1989 and that inflation will gradually fall is justified.

[Question] Judging by your answers the picture does not seem to be as bad as the impression that has been created about it in society. Contrary to what you have been saying, the fact is that a growing number of Yugoslavs are becoming increasingly worse off.

[Mikulic] I pointed out the positive results of the economic policy which we have been carrying out as well as the positive results achieved in formulating and implementing the economic reform in its initial stage. I spoke about inflation as the greatest problem. I did this in awareness of the fact that in our country it seems that there is no longer anyone who is brave enough to either state or listen to any positive developments in our society. Not everything is as black as has been presented—either because of the lack of knowledge, or because not all facts are taken into consideration, and occasionally even because of some completely pragmatical political aims.

As far as living is concerned, I would like to say the following: Our present life is the reflection of how we worked in the past and how we are working today. Of course, generally speaking, differences among individuals exist, and not just because they discourage work and creativity.

[Question] You are the first president of the FEC to tender his resignation. How did you feel after that, and how is the outgoing "government" functioning at present?

[Mikulic] At the time when I decided to resign, when I resigned, and today, I felt and feel completely fine, as if I had had to make a decision about some other kind of matter. My conscience is clear, especially because everything I have done I did as a Yugoslav; I did for joint and general interests.

The FEC that has resigned is, in accordance with the law, operating normally; it is performing all its functions and tasks. We have in fact intensified our work on the

realization of some of our programs. The only change lies in the fact that all my trips abroad and all visits by other countries' premiers to Yugoslavia have been canceled.

[Question] Your cabinet has been accused more than any previous cabinet of relying on the authority and views of the state Presidency and the party Presidium. What is your view about that?

[Mikulic] You correctly stated "accused." According to the Constitution, the FEC has certain duties toward the SFRY Presidency. However, we did not rely on its authority, except in cases when it was necessary to involve the Presidency during the harmonization of republican and provincial interests, which is the constitutional duty of the SFRY Presidency. I will be frank and say that the Presidium of the Central Committee of the League of Communists too often discussed issues that were in the FEC's domain, in the sphere of the economy. These discussions were initiated by the Presidium of the Central Committee and not by the FEC. At present everybody is talking about the "separation" of the party from the state. It would be good if this separation were substantive rather than only personal. This would contribute to the affirmation of the SFRY Assembly's role, and the FEC would work as its executive organ and would be accountable to the Assembly that elected it.

[Question] How do you assess the chances of the Ante Markovic cabinet, which is yet to be named, and what would your cabinet look like now if you were in the position to form one again?

[Mikulic] I expect Ante Markovic's speech to be very precise, but I do not think that everything will depend on the FEC.

Because I have spent almost 3 years in this job and I know what one has to do to earn his bread, I could not even imagine, let alone place myself in the position of forming a cabinet again. This is why I cannot answer the second part of your question.

Disagreements on the Public Scene

[Question] The FEC that you led will also be remembered for the public disagreements between some of its members about the concept of the taxation policy, the public debt, and the interest rate policy.

[Mikulic] The FEC is not isolated from the general situation in society and relations in the federation, nor is it "vaccinated" against "outside" influences, that is to say, the interests of the republics and provinces. Moreover, not all the members of the FEC are of the same profession, and differences in views are therefore possible. We used to overcome differences in views and disagreements through persistent work and well-argued discussions. Otherwise, differences on some issues are not abnormal or damaging. Negative consequences arise only if these differences are not smoothed out and if everyone does what they themselves think they should do. After they adopted the stands—by a majority vote—the FEC members carried out the adopted stands and decisions. It is well known that disagreements also existed in the previous FEC's. They are present in all other organs. It appears that the only new thing is that in our case disagreements and differences between some FEC members were "leaked to the public." The members of the FEC are also human beings who live at this time and in this space.

[Question] By leaving the SFRY Presidency to take the post of FEC president, you said that you were leaving a relatively easygoing post. What will you do now?

[Mikulic] First of all, I am going to take a rest and I am going to read what I have not been able to read. As far as my sociopolitical involvements are concerned, I will continue to follow the line of the policy which we have built together with Tito. Otherwise, I will retire. We need to elect younger people to political, state, and business posts, people who have already confirmed themselves through their sociopolitical activities as able and principled fighters for socialism and self-management, people who will strengthen brotherhood and unity and our federal community.

[Question] At the last session of the Commission for Reforms, you presented an interesting view: that the experience gained in the work of the commission could be used to resolve other outstanding issues in society.

[Mikulic] Taking into consideration the positive experiences and results of the commission, I expressed the belief that this kind of work—which would be conducted in an atmosphere of goodwill and mutual trust, an atmosphere free of various prejudices and animosities, an atmosphere characterized by a well-argued democratic dialogue—could relatively quickly find answers to other outstanding issues concerning social development, the political situation and the development of the political system, the realization of the role of subjective factors, and so forth, issues which we disagree and have public confrontations about, something that makes the situation in the country increasingly complicated and feeds nationalism and other retrograde tendencies. Through well-organized work and the involvement of creative forces from all over the country, we could, in a relatively short period of time, build a platform which would induce and strengthen unity in our socialist, self-managing, and federal community, and open up prospectives for its future stable development and prosperity. One should proceed from a realistic analysis of the situation in the country, establish a correct diagnosis, and search for the medicine in the creative application of the AVNOJ [Antifascist Council of the National Liberation of Yugoslavia] principles and the program of the League of Communists of Yugoslavia. Taking into account everything that is happening and expected to happen in the development of Europe and the world, this would provide an answer to the present and future

demands in the development of Yugoslavia. Without that, I am afraid that all the outstanding issues will remain and that we will run a risk of further deepening the otherwise deep social and political crisis, weakening mutual trust, and contributing to further divisions. Instead of that, we are obliged to do everything possible to strengthen cohesion in our socialist community on the basis of the brotherhood and unity of all peoples and nationalities of Yugoslavia.

Albania Rejects Mikulic's Call for Dialogue
LD2003152889 Belgrade TANJUG in English 1355 GMT 20 Mar 89

[Text] Belgrade, March 20 (TANJUG)—Tirana has rejected the call by Branko Mikulic, until recently the Yugoslav prime minister, for Yugoslavia and Albania to "open a dialogue on human rights and the status of minorities" in the two countries.

In a long article, signed by "an observer," in the Albanian official party paper ZERI I POPULLIT, Tirana claims that Mikulic's call, made during a recent interview with foreign newsmen in Kopaonik, intended to "prove to the world" that "people in Albania enjoy no rights while Kosovo is a paradise."

"This can never be a call to discuss Kosovo," the Albanian party organ said, although nobody, including Mikulic on this occasion, has ever called on anyone, including Albania, to "discuss Kosovo."

"The observer" adds that there is nothing to discuss concerning the status of national minorities in Albania since they "enjoy all rights and freedoms granted." He even claims that "not only icons and iconostases but also churches and all valuables" are "preserved and respected."

According to its old recipe, Tirana holds that "dialogues among countries, especially neighbouring countries, are necessary and useful," but that the one proposed by Mikulic would not be an "open, sincere and constructive" one but instead an "ordinary current propaganda speculation."

Saudi Backing for Albanian Muslims Condemned
AU1703121789 Paris AFP in English 1130 GMT 17 Mar 89

[Text] Belgrade, March 17 (AFP)—The Yugoslav state-run television has accused Saudi Arabia of meddling in Yugoslavia's domestic affairs following an article in the Saudi press calling for the defence of ethnic Albanian Muslims.

The Yugoslav authorities took exception to a proposal in last week's SAUDI GAZETTE which said Muslims in Serbia's Kosovo province were "threatened with assimiliation" and needed help to "rediscover their roots". The SAUDI GAZETTE said two groups should be set up by the Islamic Conference Organisation and by Britain's Institute of Muslim Minority Affairs to investigate the problems of Albanian Muslims.

Belgrade television noted that 80 per cent of the Albanians in Kosovo were Muslims—a fact never before officially admitted as relevant to the Albanian nationalist cause in Kosovo. The television said "all the members" of "Albanian nationalist and separatist" groups dismantled in Kosovo in recent years by police, had been Muslims. No Albanian Catholics had been found among the militants, it said.

The report also noted that most of the Muslim religious leaders in Kosovo had attended Islamic colleges in Saudi Arabia.

Spokesman Comments on Relations With Israel
LD1603181289 Belgrade TANJUG in English 1727 GMT 16 Mar 89

["Pool" item]

[Text] Belgrade, March 16 (TANJUG)—The keys to the problem of Yugoslav-israeli diplomatic relations continue to be in the hands of Israel, Yugoslav Government Press Spokesman Ivo Vajgl told a regular press conference in Belgrade on Thursday.

Vajgl explained that by "keys" he meant the Israeli occupation of Arab territories due to which Yugoslavia broke diplomatic relations with Israel over twenty years ago.

The government spokesman pointed out, however, that Yugoslavia and Israel had economic relations. The level of the exchange of goods is not high but has a growth tendency, he explained, adding that both sides were interested in advancing cooperation in trade and tourism.

Federal Chamber Discusses Government Budget
LD1503232189 Belgrade TANJUG Domestic Service in Serbo-Croatian 1155 GMT 15 Mar 89

[Excerpts] Belgrade, 15 Mar (TANJUG)—As of tomorrow Yugoslavia will have a smaller and more efficient government.

The Yugoslav Assembly's Federal Chamber today adopted changes to two laws supporting the initiative of the mandator Ante Markovic concerning the reorganization of the federal government. These are regulations on the bases of the state administration and FEC [Federal Executive Council] system as well as on the organization and restoration of the federal organs of the administration, and of the federal organizations.

In fact, the FEC, instead of having 29 members, will have 19. All six federal committees will be abolished in order to, among other things, oust from the system elements of the consensus economy and begin making savings at the top.

All the beneficiaries of the federal budget will not be satisfied—this is crystal clear. However, delegates did not have a lot of work. Funds were divided up once all the beneficiaries had reconciled themselves in advance to a destiny in which there would be fewer and fewer opportunities for expenditure over the set limits.

The federal budget is bigger this year compared to last year, by 165 percent. The overall contributions of the republics and provinces will amount to 2,420 billion dinars—875 billion dinars less than originally proposed by the federal government. The rest of the budget "will be fed" by the federation, using various taxes and duties.

The Yugoslav People's Army received 14.6 trillion dinars—4.90 percent of the estimated social product—which, because of savings, is 470 billion dinars less than envisaged in previously undertaken obligations. Funds for the army represent 71.2 percent of the federal budget, and this year they are 179.9 percent bigger compared to last year.

Additional funds for the undeveloped will amount to 1,619 billion dinars. The newly-formed municipalities in Kosovo will receive 700 billion, and additional funds for Montenegro will be 10.7 billion. Some 7.8 percent of the budget has been set aside for the undeveloped and this year they are getting 157 percent more than last year.

The third largest beneficiary of the budget are pensioners. And 1,105 billion dinars have been set aside for veterans' pensions and 1,086 billion dinars for military pensions. Additional funds to increase disability allowances are estimated at 610 billion dinars. All this expenditure is greater this year than last year by 133 per cent. The delegates accepted the proposal that 35 billion dinars be set aside from the federal budget for the nonaligned summit.

Expenditure on the work of the federal organs this year will be 113 percent up on last year. Their allocation is 1,292 billion dinars—6.2 percent of the budget—though last year their share was 7.8 percent of the federal budget. The most drastic budget cutbacks will be felt precisely by the federal organs. Some 22 billion is envisaged for the technical and technological modernization of the federal organs, and 40 billion "will go" on the work of the sociopolitical and social organizations. The current budget reserves are estimated at 25 billion dinars, while obligations from previous years are about 94 billion.

Branko Skok, reporting for the Federal Budget Committee, recalled the course of the debate on the overall volume of expenditure from the federal treasury. The initial government proposal that the budget for this year be 20.9 trillion dinars, was rejected. The Chamber of Republics and Provinces was not able to accept this, so temporary measures were approved. It was only last week, when a reduced budget (20.6 billion dinars) [figure as received] was proposed, that the volume of budgetary expenditure was approved at a session of the Chamber of Republics and Provinces.

By reconstructing the budget there has been an increase in additional funds for the undeveloped republics and Kosovo, though contributions from federal units to the federal budget have been reduced. Also reduced are the funds for the Yugoslav People's Army [YPA], though the obligations of 430 billion, as a debt from the past year, will be received by the Army after the final accounting for 1988. Skok said that there has been a significant reduction in customs duties, thus relieving the economy by 4.1 percent. He stated that the efforts to make savings in the federal budget "have begun to provide specific results." Funds for the work of the federal organs, compared to last year, have been reduced in the budget from 7.8 to 6.2 percent.

The delegate, Mijat Sukovic, put forward an amendment in which the grant to the paper BORBA, provided out of the federal budget this year be increased from 8.9 to 17.5 billion dinars. He explained this proposal with the use of material and financial arguments and also with the fact that BORBA makes an exceptional contribution to objective, Yugoslav-orientated information dissemination and action. [transmission interrupted, TANJUG part 4 not received]

The Chamber then adopted changes to two laws facilitating the reorganization of the FEC and the federal administration. According to the changes in the law on the bases of the system of state administration, the FEC and the federal organs of the administration are no longer obliged to elect ministers without portfolio in the FEC in accordance with the principle of the equal representation of the republics and provinces.

The candidate for FEC president is in this way able to propose to the SFRY Assembly as many FEC members as he believes can use their specialist and political qualities to effectively respond to their tasks. At the same time, this has meant the end of the need for the existence of the Coordination Commission as a separate FEC working body. [passage omitted]

According to the changes and addenda to the law on the organization of the federal administrative and the [words indistinct] (?Federal Secretariats) for Internal Affairs, Finance, and Economic Relations With Foreign Countries, seven new ones will be formed. These will be the Federal Secretariats for Trade; Energy and Industry; Transport and Communications; Agriculture; Development; Labor, Health, Veterans' Questions and Social Policy; and Legal and Administrative Affairs.

The changes to the law mean the abolition of two secretariats: the Secretariat for Information and the Secretariat for Legal, Judicial, and Administrative Affairs; and the formation of two specialist FEC departments: for Legal Affairs and for Information. [passage omitted]

Most discussion and polemics at today's session of the Federal Chamber were in connection with the draft operative program of social policy for family planning in the Socialist Autonomous Province of Kosovo. Opinions are, in fact, divided on the amendments of a group of delegates from the province. This is a reference to their demand that the formulation of Point 18 in the original draft program of measures be left unchanged. It says that "the optimal family size, the number of children per family, and the goal that will gradually be achieved for the purpose of reducing the demographic growth to within the real frameworks of material and other possibilities, as well as stimulative measures and those that act as a disincentive to ensure the realization of this goal, will be established. This task belongs to the Assembly of the Socialist Autonomous Province of Kosovo." By a majority of votes, the Chamber rejected this amendment and approved the program of measures with this article being reformulated in accordance with the proposal of the Committee for Labor, Health and Social Welfare, in which, among other things, it is specified that the people would be encouraged to have two or three child families and other measures would be taken "to attain the balanced development of the province's population, in other words, of natural human reproduction."

Milka Takeva-Grigorijevic, on behalf of the committee, said that on the controversial Point 18, it is not a matter of whether someone wants to restrict the right of the individual to freely decide on the number of children to have, but of a solution designed to create the conditions in which society's interest in family planning is ensured. It is for this reason that the amendment from the Kosovo delegates is superfluous.

Ilijaz Kurtesi stressed that this is precisely a case of restrictive demographic measures that originally had not been planned, and as a result the delegates from Kosovo are adhering to their amendment. Viktorija Potocnik advocated conscious and responsible decisionmaking on the birth of children. In her view, the proposed program offers "scope for illusory shortcuts which are enticing, but I am convinced that it will not bring us to our desired goal in family planning in Kosovo, but will even harm us on some points." As a result she advocated that "the individual be the exponent of everything that is planned in this field," and that most work should be done to enlighten the population and raise the level of their knowledge of the need for family planning. [passage omitted]

From September 1985—since statistics on AIDS have been kept in our country—to the end of February this year, a total of 74 persons in our country have contracted AIDS. Of these, so far 35 have died. These figures are quoted in a report on the appearance and spread of AIDS, which was approved by the Chamber. [passage omitted]

The Federal Chamber today elected Todor Georgijevski as a Federal Court judge and relieved Vasilj Bernhard from the post of deputy federal public prosecutor.

Newly Elected FEC Holds First Session 16 Mar

LD1703040689 Belgrade TANJUG Domestic Service in Serbo-Croatian 1450 GMT 16 Mar 89

[Text] Belgrade, 16 Mar (TANJUG)—Today the first session of the newly elected FEC agreed that short-term and long-term programs of priority tasks should be prepared immediately and in accordance with the FEC program orientation. All federal departments will be engaged in the preparation of these tasks.

For the purpose of further rationalization and greater efficiency of the internal FEC organization, the session adopted the stance that the number of working bodies is reduced, so that in the future only 6 instead of 14 FEC commissions for specific areas will exist.

At today's session the FEC reappointed Zoran Miskovic as FEC secretary general.

A decision was made on the creation of an FEC secretariat for information and an FEC secretariat for legislation to serve as expert services of the council.

LCY Presidency Session Discusses April Agenda

LD1603230889 Belgrade TANJUG in English 1733 GMT 16 Mar 89

[Text] Belgrade, March 16 (TANJUG)—Preparations for the next congress of the League of Communists of Yugoslavia (LCY), its content and date of holding will be on the agenda of the LCY Central Committee session scheduled for the first half of April, the LCY Presidency decided at its session here on Thursday.

The Central Committee will also discuss a draft programme for the transformation of the League of Communists drawn up by a special central committee working group.

The party Presidency today also discussed the preparations for the May plenum devoted to the situation, problems and perspectives of inter-ethnic relations in multi-ethnic Yugoslavia. Serious confrontations and disagreements on the national basis within the League of Communists itself will also be discussed in the framework of this issue.

The LCY leadership maintains that the announced session should contribute to the overcoming of confrontations and procedure "a Yugoslav synthesis of views and stands on these issues," which for their part should

contribute both to the drawing of the ideo-political platform for a new Yugoslav Constitution and the platform for the preparations of the 14th LCY Congress.

Tudjman Violates Ban on Public Speeches

AU2003224189 Zagreb VJESNIK in Serbo-Croatian 16 Mar 89 p 14

[TANJUG report: "Proceedings Against Tudjman and Veselica for Misdemeanors"]

[Text] Zagreb [date not given]—The Zagreb District Public Prosecutor's Office has submitted a request for starting proceedings against Franjo Tudjman (67) and Marko Veselica (53) from Zagreb for minor offenses.

According to request, the Zagreb District Prosecutor's Office states that, despite the fact that he was previously banned from making public speeches for 5 years, which is still in force, Franjo Tudjman made a speech on the premises of the Croatian Writers Association (at the meeting discussing the initiative to found the Croatian Democratic Community) in front of a fairly large group of citizens.

In 1980 Tudjman was found guilty of committing the criminal offense of spreading hostile propaganda, and was sentenced to 3 years in prison. At that time he was banned from making public speeches.

Franjo Tudjman was sent to serve his sentence on 12 January 1982. He ended his sentence on 25 November 1984, when he was conditionally released. According to the sentence of the Zagreb District Court, Franjo Tudjman was not allowed to make public speeches until 25 November 1989.

Marko Veselica is said to have made a speech on the premises of one church in Zagreb and on the premises of the Ciril and Metod Croatian Literary Society, despite the fact that he was also banned from making public speeches. In 1981 the Zagreb District Court sentenced Marko Veselica to 7 years' imprisonment for taking part in hostile activities when, as a citizen of the SFRY, he contacted a foreign emigre organization in order to carry out hostile activities against his country. The request to start proceedings made by the Zagreb District Public Prosecutor's Office also mentions that Veselica's sentence was reduced to 6 years and 6 months. He was sent to serve his sentence on 7 July 1982 and stayed in prison until 25 July 1986, when he was conditionally released. He was at the same time banned from making public speeches; this ban is in force until 25 July 1990.

For these misdemeanors, Tudjman and Veselica could be fined or given a prison sentence of up to 30 days.

Hamburg Consulate Official Shot in Montenegro

LD2003184489 Belgrade TANJUG Domestic Service in Serbo-Croatian 1626 GMT 20 Mar 89

[Excerpt] Bar, 20 Mar (TANJUG)—Vasilije Delibasic, an official at our consulate in Hamburg, was seriously injured on 18 March in Bar [Montenegro]. While walking with his wife by the Agava camping site, an unknown attacker fired a shot at him from a hunting rifle at about 2200, and seriously injured him. Journalists were told this today in the Bar Secretariat for Internal Affairs. Delibasic was transferred to Titograd Hospital, where he underwent surgery, but his life continues to be in danger. [passage omitted]

Charges Against Hodza Under Investigation

LD2003143689 Belgrade TANJUG Domestic Service in Serbo-Croatian 1307 GMT 20 Mar 89

[Text] Belgrade, 20 Mar (TANJUG)—Criminal charges brought by a group of prominent 1941 veterans and sociopolitical workers from Belgrade against Fadil Hodza and other former Kosovo officials will be given an official response within 2 months. It is believed that in light of the facts already known, these proceedings will not fail to yield concrete results.

Radmilo Bogdanovic, secretary for the internal affairs of Serbia, informed the members of the Serbian Assembly's Commission for All-People's Defense and Social Self-Protection of this. By the end of this 2-month period, the allegations of the criminal charges will be examined. Exhaustive consultations have been carried out with those who submitted the charges, and the statements of Fadil Hodza, Mahmut Bakali, and Dzavid Nimani will be taken soon.

Bogdanovic stressed that the Joint Commission of the Federal, Republican, and Provincial Secretariat for Internal Affairs worked on this case. We estimate, he said, that these proceedings will not end without concrete results, and that appropriate proof will be found of the well-founded suspicion disclosed in the charges, while material proof of a less important part of the allegations—which refers to events from the distant past—will be harder to obtain. After an examination is made, the work will be passed on to the appropriate prosecutor's office.

Update on Goles Miners' Strike Situation

Work Not Fully Resumed

LD2003175889 Belgrade TANJUG Domestic Service in Serbo-Croatian 1523 GMT 20 Mar 89

[Text] Pristina, 20 Mar (TANJUG)—Although compulsory work orders were served on the Goles magnesite mine near Lipljan, the second shift miners who were due to start work at 1500 did not go down into the pit.

The majority of the first and third shift miners did, however, report for work shortly before 1500, but out of 102 second shift miners who were due to report for work, only 6 turned up.

Amadan Banula, chairman of the Committee for All-People's Defense and Social Self-Protection, said that there had probably been some misunderstanding. He was convinced that the third shift would start work at 2300, and the first shift tomorrow morning.

About 100 miners from this mine have been given 12 days of leave, which means that they have not been served compulsory work orders.

Situation Said 'Stabilizing'

LD2103111589 Belgrade TANJUG Domestic Service in Serbo-Croatian 1523 GMT 20 Mar 89

[Text] Pristina, 21 Mar (TANJUG)—After a month-long strike, the situation in the Stari Trg Mine is gradually stabilizing. The collective return to the mine shafts, which began yesterday, continued last night during the third shift and this morning during the first shift. The majority of miners who received work orders have responded to them and have resumed the mining of lead and zinc ore.

The first group of miners at the Goles mine in Magura, near Lipljan, also went down into the pit this morning, and according to official information, out of a total of 49 workers summoned to work, 31 are working in the pit and 18 are working on mine operations outside the pit.

In a number of Kosovo collectives, however, short work stoppages continued today by individual groups of workers. As was the case yesterday, the most pronounced incidences of absence from work or standing beside machines were in a few collectives in Urosevac and Gnjilane. It is nevertheless noticeable that the number of workers deciding on this form of resistance to changes in Kosovo is decreasing.

Vojvodina Farmers Protest Low Milk Prices

AU2003123689 Paris AFP in English 1136 GMT 20 Mar 89

[Text] Belgrade, March 20 (AFP)—Dairy farmers in Yugoslavia's important agricultural region of Vojvodina poured milk into the streets, boycotted dairies and shot cattle in protest at the low milk prices set by the federal government, the daily paper VECERNJE NOVOSTI reported on Monday. Farmers quoted by the paper said a bottle of mineral water cost more than a litre of milk.

At 1,400 dinars (17 U.S. cents) per litre (800 dinars or less than 10 U.S. cents per pint) the price in the shops from April 1 will not even cover the cost of producing it, according to the president of the Association of Yugoslavian Milk Producers Stanimir Joksovic.

He estimated that production costs worked out at between 1,800 and 2,100 dinars per litre (1,000 and 1,100 dinars a pint). The farmers need to sell 200 litres (350 pints) just to pay for 100 kilos (220 pounds) of fertiliser, he told the Belgrade paper. He warned that prices would not rise until they were left to market forces.

The farmers have now taken matters into their own hands by forming organisations similar to those already set up in the Slovenia and Croatia regions.

Kosovo Presidency Commends Special Measures

LD2003195989 Belgrade TANJUG Domestic Service in Serbo-Croatian 1517 GMT 20 Mar 89

[Text] Pristina, 20 Mar (TANJUG)—At its expanded session today the Presidency of the Socialist of Autonomous Province of Kosovo assessed that the realization of the special measures of the SFRY Presidency, which have been consistently implemented, have had a positive impact on the normalization of the political and security situation within the province. The situation in economic and social structures is better, particularly in comparison with the period lasting up until a few days ago. Production is running under almost normal conditions. Today work began in the Stari Trg mine and flotation. The Goles miners are expected to start working some time today, a statement said.

The Presidency stressed that despite a certain normalization, the political and security situation is still very complex, as it tends to evolve into further tensions. Such a situation, the statement stressed, is being made more complex by some of the inforamtion propagated by enemies of all categories, who aim to further destabilize this complex situation. The Kosovo Presidency resolutely rejects this disinformation, while appealing to miners, workers, pupils, students—members of all the nations and nationalities of Kosovo—to return to their usual work and life and to contribute fully to the stabilization of the overall situation in the province.

The Kosovo Presidency concluded that it is necessary to have the special measures implemented in a highly consistent, organized, and planned way, while problems and shortcomings that becomne apparent should be resolved at all levels. The Presidency insisted on a continuous monitoring of the present situation and an immediate resolivng of all potential excesses. The Presidency pointed to the necessity of intensified political activity of the members of all the nations and nationalities, aimed at properly interpreting the proposed amendments to the Serbian Constitution. At today's session, which was attended by SFRY Presidency member Sinan Hasani, the Kosovo Presidency granted pardons to a number of convicts.

Kosovo Assembly Commissions Endorse Amendments

LD2003142789 Belgrade TANJUG Domestic Service in Serbo-Croatian 1218 GMT 20 Mar 89

[Text] Pristina, 20 Mar (TANJUG)—Several commissions and bodies of the Assembly of the Socialist Autonomous Province of Kosovo have endorsed the draft amendments to the Constitution of the SR of Serbia in their entirety and have proposed that the provincial assembly give its consent to the changes in the republican Constitution at its 23 March session.

Today this was done by the Legislative and Legal Commission, the Commission for Social Control, the Commission for Foreign Relations, and the Commission for Socioeconomic Relations of the Assembly of the Socialist Autonomous Province of Kosovo.

During the sessions satisfaction was expressed that this important job had been brought to a conclusion; it was stressed once again that the pending changes to the republican Constitution did not question the substance and the present nature of the autonomy (?in the province).

Results of Poll on Main Problems in Kosovo

AU1603083589

[Editorial Report] Belgrade BORBA in Serbo-Croatian on 27 February on page 7 carries the results of a poll conducted by BORBA. The poll was concerned with two questions: 1. "What are Kosovo's most acute problems?" and 2. "What do you think is the most effective way to solve Kosovo's problems?"

BORBA's poll was conducted in accordance with the "standard methodology." There were 140 people "randomly chosen from the telephone directories of all six republics and Kosovo, in other words 5 people from three big cities from each republic and Kosovo, plus a control group consisting of 5 people from each republic and Kosovo." The poll was conducted by six researchers.

The following tables represent the results of the poll.

Table 1. "What are Kosovo most acute problems?" (in percentages)

Problems	Bosnia	Montenegro	Macedonia	Slovenia	Serbia
1. High birth rate	10	15	15	20	15
2. High unemployment	15	5	-	5	15
3. Bad interethnic relations	25	30	5	10	35
4. Emigration of Serbs and Montenegrins	20	20	25	10	10
5. Lack of general economic development	30	30	15	15	-
6. Something else	-	-	40	20	20
7. Do not know	-	-	-	20	5

Problems	Croatia	Kosovo Albanians	Others	Kosovo Total	SFRY
1. High birth rate	35	10	10	20	18.3
2. High unemployment	15	5	10	15	9
3. Bad interethnic relations	15	-	15	15	20
4. Emigration of Serbs and Montenegrins	5	-	15	15	15
5. Lack of general economic development	10	10	5	15	16.6
6. Something else	-	-	-	-	13.2
7. Do not know	20	15	5	20	22.5"

Table 2. "What do you think is the most effective way to solve Kosovo's problems?" [in percentages]

Bosnia		Montenegro	
1. Do not know	35	1. Do not know	25
2. Through family planning	10	2. By raising awareness and morale	20
3. By expelling emigrants	10	Through general reform	10
4. Through early retirement	10	By solving problems at the Yugoslav level	10
5. By solving unemployment	5	By solving economic problems	10
6. By changing leadership	5	By resolving nationality issue	10
7. Through military intervention	5	By changing leadership	10
8. Through cooperation with ethnic Albanians	5	Through more severe punishment	5
9. By expelling irredentists	5		
10. By bringing back those who emigrated	5		
11. Through economic development	5		
Macedonia		**Slovenia**	
1. Do not know	30	1. Do not know	45
2. By turning words into deeds	20	2. Through dialogue and abatement	20
3. Through correct LCY policy	20	3. By letting them solve problems	20
4. Through military intervention	15	4. Without use of force	5
5. Through work	10	5. Through equality of peoples	5
6.Through brotherhood and unity	5	By raising standard of living	5

Serbia		Croatia	
1. Do not know	20	1. Do not know	45
2. By expelling Albanians without citizenship	15	2. Through market economy	15
3. By punishing ringleaders	15	3. By reducing birthrate	10
4. Through birth control	15	4. By reducing social security	10
5. By solving problems jointly	10	By setting small firms from all over SFRY	5
6. Through legal state	10	6. Early retirement	5
7. New leadership	10	By sending the dissatisfied to Albania	5
8. Military intervention	5	8. More severe punishment policy toward irredentists	5

Kosovo	Albanians	Others	Total
1. Do not know	15	25	40
2. By changing 1974 Constitution	-	15	15
3. By not changing Constitution	10	-	10
4. By bring back Serbs and Montenegrins	-	10	10
5. By solving problems at Yugoslav level	5	5	10
6. Through law on family planning	-	5	5
7. Through material aid	5	-	5
8. By solving unemployment	5	-	5

Djakovica LC Officials Relieved of Membership

LD2003134589 Belgrade TANJUG Domestic Service in Serbo-Croatian 1252 GMT 20 Mar 89

[Text] Djakovica, 20 Mar (TANJUG) —Within the ambit of ideopolitical activity on the implementation of the tasks envisaged by the conclusions of the Presidium of the Provincial Committee of the LC of Kosovo on ideopolitical differentation, a number of specific measures have been taken in Emin Duraku, the largest work organization in Djakovica, because of participation in the November and February events.

The result is that Skender Luka, president of the LC Action Conference and chairman of the Committee for All-People's Defense and Social Self-Protection in Emin Duraku, has been replaced. Nine members have been relieved of their membership of the Committee for All-People's Defense and Social Self-Protection in the basic associated labor organizations in this collective. In addition, nine secretaries of the LC basic organizations, seven presidents of the Federation of Trade Unions basic organizations, and one president of a basic organization of an associated labor workers council have been replaced. Daut Elezi and Ruzdi Rustemi have been expelled from the LC, and ideopolitical measures have been applied to six additional LC members.

Acting President of Serbian Presidency Elected

LD2003140289 Belgrade TANJUG Domestic Service in Serbo-Croatian 1231 GMT 20 Mar 89

[Text] Belgrade, 20 Mar (TANJUG)—Until the president of the Presidency of the SR of Serbia has been elected, Ljubisa Igic, a member of the Serbian Presidency, will be acting as president of the Presidency of the SR of Serbia in the discharge of his functions as set by the Constitution and legislation. This was decided by the Presidency of the SR of Serbia during its session today.

During its session today, the Presidency also released Petar Gracanin from the office of the President of the Presidency of the SR of Serbia, in view of his appointment as federal secretary of internal affairs. The Presidency also decided, because of his appointment to the office of the vice president of the Federal Executive Council, to release Aleksandar Mirovic from his office of the vice president of the Presidency of the SR of Serbia.

Macedonian Assembly Chamber Session Cut Short

LD2103001189 Belgrade TANJUG Domestic Service in Serbo-Croatian 1542 GMT 20 Mar 89

[Text] Skopje, 20 Mar (TANJUG)—Today at 1200, the Sociopolitical Chamber of the Macedonian Assembly cut short a session devoted to the establishing of the proposed amendments to the Macedonian Constitution, which began this morning.

This was done following several hours of discussion and the voicing of differing opinions and criticisms concerning the definition of the statehood of the Socialist Republic of Macedonia.

According to the explanation of the president of this chamber, Petar Karajanov, the postponing of the session came about in accordance with Article 83 of the procedural regulations on the work of this chamber.

In the meantime, until the next session, the necessary consulations will be carried out with the sociopolitical structures of the republic to coordinate stances, in the framework of the Macedonian Socialist Alliance of Working People.

This interruption of the work of a body of the assembly is the first in the records of the highest legislative organ of Macedonia and the delegate-representative system.

Macedonian SAWP Doubts Slovenian Sincerity

LD2103160689 Belgrade TANJUG Domestic Service in Serbo-Croatian 1105 GMT 21 Mar 89

[Text] Skopje, 21 Mar (TANJUG)—In a letter it sent to the Slovene SAWP Republican Conference, the Macedonian SAWP Republican Conference states with concern that intranational quarrels and divisions in the country are continuing, despite the call from the SFRY Presidency for an end to them, which is causing great damage

to the further development of brotherhood and unity among our nations and nationalities and to the SFRY's international reputation. There is no discrimination with regard to the means and the words used to perpetrate insults and slanders and to discredit individuals and whole leaderships in certain republics. Unfortunately, the media are being used as the most powerful weapon in these propaganda activities.

Bearing in mind the latest manifestations of destructive behavior in certain environments and areas of the media in the country, which are causing concern and disquiet among the working people and citizens, the Macedonian SAWP Republican Conference calls most energetically for an end to all forms of provocation and retailoring of the country into some kind of new "Yugoslavs,"—things which permanently undervalue the efforts and results which we have achieved in this Yugoslavia of AVNOJ [Anti-Fascist Council of the National Liberation of Yugoslavia] and Tito.

The Macedonian SAWP Republican Conference states with regret that MLADINA is particularly prominent in such activities by certain elements of the media. With its destructive behavior and retailoring of the SFRY, it casts fresh doubts on the sincerity of certain forces in fraternal, socialist Slovenia with regard to the preservation of the sovereignty and integrity of the country and its further development in accordance with the principles of AVNOJ.

We bear a historical responsibility for the situation in the country; because of this, our activity in ending confrontations must be more evident. Without unity and the construction of a common and united platform, there can be no realization of the strategic tasks and aims of the reform which lies before us. Our future lies in a firm, united, and developed Yugoslavia—this is stated at the end of the letter sent by the Macedonian SAWP Republican Conference to the Slovene SAWP Republican Conference on the basis of the discussion held on 15 March 1989.

Candidates Named for Croatian Presidency

LD1603235289 Belgrade TANJUG Domestic Service in Serbo-Croatian 1313 GMT 16 Mar 89

[Text] Zagreb, 16 Mar (TANJUG)—Today the Presidium of the Republican Conference of the Croatian SAWP expressed support for the initiative of the Presidency of the SR of Croatia that Tomislav Kovac, member of the Presidency, and Ivo Latin, president of the Presidency, be registered as candidates for the post of the president of the republic.

The candidacy will be sent to municipal, regional, and city conferences of the SAWP, and to signators of the social agreement on implementation of cadre policy in the SR of Croatia, so that they may state their views on the candidacy.

Zagreb Association Calls for Political Pluralism

LD1603174989 Belgrade TANJUG in English 1615 GMT 16 Mar 89

[Text] Zagreb, March 16 (TANJUG)—The Leadership of the "Yugoslav Association for Democratic Initiative" (YADI), founded in Zagreb, capital of the Yugoslav Republic of Croatia, on February 2, announced today that political pluralism is the "inalienable natural right that can be suppressed only by force."

The YADI statement came after some of the country's state and political forums, including the Presidency of Yugoslavia, criticized the founding of political parties in the Republics of Croatia and Slovenia. The Presidency of Yugoslavia on March 2 announced that the founding of political parties was incompatible with the country's constitutional system and that it will therefore insist that the responsible state organs treat those parties according to the Constitution and the law.

In its statement, the YADI leadership describes the assessment as a "denial of the possibility of political pluralism in general" and stresses that political pluralism is a "precondition for the elimination of the untenable political, economic and cultural situation in the country because it makes it possible to use the knowledge of all those taking part in a discussion which may produce a satisfactory solution."

Nobody, regardless of his political past or justified objections against his programme, can be excluded in advance from the pluralism of political thinking and action, says the YADI leadership. The association stresses that it is only admissible to ban the initiatives which, on the basis of their progrmames or in practice, aspire after a violent change of the political system i.e., threaten the lives of citizens because of their religious, national, sexual or political affiliations or preferences.

In its programme, YADI urges a cultural and political integration in Yugoslavia on a democratic basis, according to socialist guidelines and with the full observance of civil rights and freedoms, national identity and commitments.

Journalists Accused of Distributing Badges

LD2003202389 Belgrade TANJUG Domestic Service in Serbo-Croatian 1506 GMT 20 Mar 89

[Excerpt] Tetovo, 20 Mar (TANJUG)—The Tetovo Municipal Public Prosecutor's Office today filed a request with the municipal magistrate court for proceedings to be instituted agianst MLADINA and Ljubljana radio journalists who, in Tetovo last week, distributed badges depicting fascist symbols and separatist slogans. Explaining the request, the municipal public prosecutor's office says that during their stay in Tetovo, the journalists, Marjan Horvat and Adrijano Kirsin of MLADINA, and Tanja Barsin of Ljubljana Radio, distributed

badges and propaganda material depicting the two-headed eagle, the symbol of greater Albania, and other nationalist and separatist symbols. In this way, they caused disquiet among the working people and citizens, denigrated citizen's moral feelings, and fomented national hatred. Proceedings to establish whether or not an offense was committed will be conducted in Tetovo. [passage omitted]

Radio Ljubljana Responds

LD2003202289 Belgrade TANJUG Domestic Service in Serbo-Croatian 1644 GMT 20 Mar 89

[Text] Ljubljana, 20 Mar (TANJUG)—The accusations about "a deliberate breach of the statute of journalists' ethics" and about "purposeful" or any other kind of "spreading propaganda" are absolutely ill-founded, untrue, and malevolent, says a Radio Ljubljana statement following the "case" of its contributor, Tanja Barasin.

The Radio Ljubljana statement notes that "a contributor to Radio Ljubljana, Tanja Barasin, spent 3 days on a work-related visit to Macedonia, assigned with preparing a report on the current developments in the republic." "According to her report, which was submitted immediately after her return to Ljubljana, she correctly collected press material for the planned item. She also made this clear in a statement at the Secretariat for Internal Affairs of the Tetovo Municipality." The statement also emphasizes that "Radio Ljubljana also declines to be linked with the accusations made at a session of the Presidium of the Journalists Federation of Macedonia. We consider such accusations, which are not founded on verified facts, as representing unacceptable a priori labeling defamation, as well as manipulation, since they spoil the reputation of Radio Ljubljana in this case, and widen the gap of opposites and misunderstanding.

MLADINA Accused of Creating SFRY Split

AU2003211289 Titograd POBJEDA in Serbo-Croatian 15 Mar 89 p 2

[R. Rastoder commentary: "Yugoslavia in Two Parts"]

[Text] Even though it may appear that in the present, potent flood of various surprises and controversies there is practically nothing else that could further upset the otherwise already agitated Yugoslav public, after the latest "mischief" by the boys from Ljubljana's MLADINA, hardly anyone can remain indifferent. Let us recall that they recently printed a "new" map of Yugoslavia—a Yugoslavia that consists of two parts divided by the Drina River valley—and invited people to express their views on "this" creation. What we are in fact talking about is one easily recognizable pattern which dates back to World War II, when it was thought that tormented Yugoslavia could be used to settle the hegemonic bargaining and aims of the great powers of that time. This assessment, as is well known, turned out to be unfounded, despite all the problems which the protagonists of the Yugoslav revolution faced at that time.

Unfortunately, even today, after so many decades of socialist development, Yugoslavia is still in many ways tormented and exhausted from the multifaceted crisis that has been going on for several years, but it is certainly not so confused that it cannot recognize the essence of the latest provocations. In this case, however, we are not talking about the aspirations of great powers, or at least not as much as about the narrow interests of our own home kitchens. We dare claim that MLADINA is only one of the gages for checking their scope.

The fact is, however, that the Yugoslav public is being disturbed above all by the stories told behind the scenes and by the skillfully presented information about projects or provocations similar to those carried in the last edition of MLADINA. As a rule, these provocations are multiplying themselves, especially recently during the preparations for important party and other meetings, or during our attempts to make more resolute steps to solve some of the hotbeds of crisis.

Everything indicates that the real aim is to create room by pointing to some alleged danger from the "other side" in order to promote one's own narrow territorial or national interests. Deliberately or not, more room was created for interethnic and other suspicions.

If this is the case, and one can see that it is, then one begins to wonder on whose behalf MLADINA is playing this "game." The so-called organized subjects in the system of the Socialist Republic of Slovenia and throughout Yugoslavia, should not skip answering that question, because it is increasingly obvious that in the present, extremely explosive situation, this question cannot be dressed in the cloak of mischief by boys from MLADINA.

BORBA Cited on Inter-Nationality 'Crisis'

LD2003130389 Belgrade TANJUG in English 1219 GMT 20 Mar 89

[Text] Belgrade, March 20 (TANJUG)—Parallel with economic troubles and weaknesses of the political system, Yugoslavia is hit by the worst crisis of inter-nationality relations since the end of World War Two, writes the Belgrade daily BORBA in its Monday issue.

Reviewing the chances of the Central Committee of the League of Communists of Yugoslavia to calm the boiling nationalistic passions by next May when its session on inter-nationality relations is to be held, BORBA says that national problems have become such a neurotic subject that a calm talk on them is almost impossible. This was shown, among other things, by a recent meeting of the LCY Central Committee's Commission for Inter-Nationality Relations, the first in a series to prepare the session.

If debate at the forthcoming session is conducted in an intolerant and futile manner as that at the party commission meeting, it is quite certain that it will produce no signpost showing a way out of the crisis, says BORBA.

In the paper's view, the explosive charges in current debates on the inter-nationality crisis are the result mainly of day-to-day political repercussions of these problems, while dissension chiefly centres on widely differing views on a settlement of problems in Kosovo, an autonomous province within Yugoslavia's Republic of Serbia.

'Administration of Justice' Questioned

AU1303210189 Zagreb VJESNIK in Serbo-Croatian 6 Mar 89 p 1

[Vlado Rajic commentary: "The Administration of Justice"]

[Text] How far can the destruction of the system through national leaderism [liderstvo] go before the system does something not only to formally protect itself, but also to protect all those who disagree with threats, force, and attacks on the system's organs and organizations? What else must happen in the country and what threats of meetings must materialize to make political protest against such methods clearly state the name(s) of those who once again shook the country, and warn that this hysteria will also be curtailed within the legal framework?

We stress: within the legal framework; because out of all the measures, conclusions, and programs, it is the disintegrating system that most needs the law as a platform for rescuing the country. National leaders have a very strong conception of the law as an obstacle to their willfulness, because, we would dare to say, the bulk of what was announced and then carried out was aimed at destroying the system's norms. In the front rank of this brute force was the slogan about the constitutional constraints on the rights of the people—down with the Constitution. The "will of the people" was then directed against the federal organs. It is no accident that the culmination of the political crisis took place on the stairway of the supreme organ of authority in this country, nor that the sharpest criticisms were addressed against the federal party leadership.

Arrest warrants carried on banners have already resulted in the replacement of a dozen of the country's leading people. Not disputing their accountability, one question nevertheless requires an answer: If these people were the culprits behind the situation in the country, who else is responsible, considering that the situation is becoming increasingly worse?

We are now the witnesses of the fact that new means are being used to achieve this end. At the last gathering of 1 million people, one party, one republican official first issued threats of arrests (the orders were carried out) and then of punishment for those arrested.

Has this not brought into our administration of justice the "rule" used by Roy Bean from the Pecosa coast, who is famous for the following sentence: "In my trial the culprit does not have to do anything. I prepare everything for him."

Understanding legality in this way, which allows the possibility of passing a sentence in advance, leads one to the very edge of anarchy. What if the sentence does not satisfy the "people?" Does this mean that there will be new meetings, new pressures, new calls for arms, which are after all already in the streets? To dare to transform the party role into the role of a judge means fully adopting, without restraint, a role that rises above the system, organs, people, and the order.

Since we are talking about the criminal law, one should also say that the use of two standards in applying the law places a question mark over the special measures—a necessary break to work things out—as well as over the need to react with legal means against all those who organized and carried out the action of "playing with human life." Are people aware of this? Is the situation in Kosovo not serious enough to require a serious application of the law? Orderly systems do not punish culprits in order to draw satisfaction from the sentence itself. They do it in order to protect their basic values and their citizens who are threatened by some action or the lack of some action. When a sentence is passed outside the court, when the sentence is guaranteed through the power and role of the national leader's office, the system cannot be protected and its citizens cannot be confident that the only culprits will be punished!

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed, with personal and place names rendered in accordance with FBIS transliteration style.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.